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SPECIAL MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

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APPEARANCES

COMMITTEE MEMBERS

Jose Medina, Chairperson

Michael Paparian

Carl Washington

BOARD MEMBERS

Cheryl Peace

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Kathryn Tobias, Chief Counsel

Jim Lee, Deputy Director

Martha Gildart

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CHAIRPERSON MEDINA: This meeting is called to order. And this is a special committee meeting of the Special Waste and Market Development Committee regarding development of the revised five-year plan for the waste tire program.

At this time, I would like to ask everyone to turn off their cell phones and pagers and put them on the vibrating mode.

And at this time if we can have the roll call please.

SECRETARY HARRIS: Mr. Paparian?

COMMITTEE MEMBER PAPARIAN: Here.

SECRETARY HARRIS: Peace?

BOARD MEMBER PEACE: Here.

SECRETARY HARRIS: Washington?

COMMITTEE MEMBER WASHINGTON: Here.

SECRETARY HARRIS: Medina?

CHAIRPERSON MEDINA: Here.

Two of the members that previously served on this Committee and these workshops unfortunately could not be here today. And that was Board Member Cannella, whose place has been taken by Board Member Peace. And also Board Member Jones, who had to attend a funeral and could not be here with us today.

1 So I have taken the opportunity to read the
2 transcript of the previous meetings so that I could have
3 the benefit of their input and their recommendations. And
4 so I have done that. And so we will make certain that we
5 are sensitive to that, as I know that staff has been.

6 This morning the -- well, before I go on, I have
7 a number of ex partes that I'd like to report on on
8 correspondence that has come in regarding this issue.

9 There was A letter from MVC, addressed January
10 24th, that was addressed to our Chair, Linda
11 Moulton-Patterson, and the subject was regarding the West
12 Nile Virus and waste tires.

13 There was an E-mail from Rick Snyder, U.S.
14 Rubber. And, again, this has to do with the diversion of
15 tires from landfills.

16 I have a concept paper cost analysis for
17 utilization of recycled tires that has been submitted by
18 Richard Holman, Professor of Construction Management,
19 California State University of Chico.

20 E-mail from Sally French regarding contractors in
21 regard to the five-year plan.

22 A letter addressed to Linda Moulton-Patterson,
23 the Chair of the Board, from the Mosquito and Vector
24 Control Association of California, regarding the West Nile
25 Virus and waste tires.

1 A memo from the California prison industry
2 regarding California waste tire recycling enterprise.

3 A letter from Diana Bonta, Director of the
4 Department of Health Services, regarding waste tires,
5 mosquitos and public health.

6 And, finally, just a meet and greet from Murray
7 Quantz, BAS Recycling.

8 Board Member Paparian any, ex partes?

9 COMMITTEE MEMBER PAPARIAN: Yeah, also just a
10 brief hello with Al Marino representing the San Districts
11 of Los Angeles and Murray Quantz of BAS Recycling. Both
12 of them said hello to both Mr. Washington and myself.

13 CHAIRPERSON MEDINA: Okay, Board Member
14 Washington, any ex partes?

15 COMMITTEE MEMBER WASHINGTON: Just the ones that
16 Mr. Paparian just spoke about.

17 CHAIRPERSON MEDINA: Board Member Peace.

18 BOARD MEMBER PEACE: I'm up to date.

19 CHAIRPERSON MEDINA: Okay. Thank you.

20 This morning the Special Waste and Market
21 Development Committee will be conducting a public workshop
22 on development of the revised five-year plan for the waste
23 tire program.

24 Senate Bill 876 extended and expanded
25 California's regulatory program related to the management

1 of waste and used tires. Among its provisions was a
2 requirement that the Integrated Waste Management Board
3 adopt and submit to the Legislature a five-year plan. The
4 plan was to include proposed budget allocations. Senate
5 Bill 876 also required the plan to be updated every two
6 years.

7 The current plan was adopted in September 2001
8 and covers Fiscal Years 2001-2002 through Fiscal Year
9 2005-2006. The revised plan will cover fiscal years
10 2003-2004 through 2007-2008.

11 Board members, is that correct, to the best of
12 your knowledge?

13 The Committee's comments and direction on the
14 budget allocations will be reflected in a formal draft
15 revised plan. It is anticipated that this formal draft
16 plan will receive public comment and be considered for
17 adoption by the Board in April 2003.

18 Prior to its adoption by the Board, the
19 end-product of today's meeting will go before the Special
20 Waste Committee and also before the Budget and Admin
21 Committee before it moves on again to the Board for final
22 adoption.

23 The adopted report will be transmitted to the
24 Legislature by July 2003.

25 An agenda for today's meeting is available at the

1 back of the room along with speaker slips. If you wish to
2 speak, please give a slip to Jennine Harris here on my
3 left.

4 One change to note is that a ten-minute break for
5 the court reporter that is scheduled for 11:00 o'clock
6 will be deferred to 11:50, at which time the court
7 reporter will have to depart to meet a previously
8 scheduled commitment. However, the remaining portion of
9 the meeting will be taped.

10 Public comment, as always, is welcomed and
11 appreciated and will be heard between two and three
12 o'clock, as indicated in the agenda, or earlier if
13 scheduling permits.

14 Persons wishing to testify are asked to keep
15 their comments to no more than five minutes. It is not
16 necessary to repeat testimony which was already given at
17 any of the three public workshops held in October
18 soliciting public comment on the current plan.

19 With that, I will ask the Waste Division staff to
20 make their presentation.

21 The only other thing that I would add is that an
22 issue arose as to how we were going to proceed with the
23 document. And after reading the transcript, in terms of
24 process, there was a very good suggestion that we treat
25 the document as any working document, doing strikeouts on

1 the document and highlighting the changes in the document.
2 And that's the way that would proceed to the Special Waste
3 Committee and the Budget and Admin Committee. And then
4 when the Board meets and adopts a final version, then we
5 will have a clean final version. We would provide both
6 the working copy to the Legislature as well as the clean
7 final document.

8 And as I read the transcript, again that was one
9 of the suggestions that was made. And just based on my
10 own experience before various boards and commissions,
11 that's usually the way that we proceeded on any working
12 document.

13 Board Member Paparian, did you wish to add
14 anything?

15 COMMITTEE MEMBER PAPARIAN: Yeah, if you don't
16 mind, I would like to take a couple minutes; because I did
17 sit through the first development of the five-year tire
18 plan two years ago, and every meeting of this Committee
19 and then some related meetings over the past few months as
20 a member of this Committee,

21 When we started this process and the revision of
22 the five-year tire plan, the staff expressed a desire to
23 develop the plan and present it to the Board and that the
24 staff would solicit input from stakeholders during the
25 process. This Committee stepped forward and said, "No.

1 We think this is very important. We want the Committee
2 very actively engaged." And we were very actively engaged
3 through the process, holding several public workshops and
4 reporting back to the Board.

5 In November we gave some specific direction about
6 how we would like to proceed. And I think Mr. Leary in
7 that November meeting summarized what he thought this
8 meeting here in January was going to be. He said that we
9 would set aside a day, separate and apart from the regular
10 Committee agenda, to get down and dirty with the five-year
11 plan, and have time so that we don't have other agenda
12 items pressing us to really discuss and talk through some
13 of this.

14 And then further on in that transcript there was
15 actually an interchange about how this day would work.
16 And basically what we came to was that this Committee
17 wanted to be the ones to propose the numbers in the plan.
18 We wanted to see a spreadsheet that included the existing
19 five-year plan and then blank spaces for how we wanted to
20 fill out the allocations in the five-year plan that we're
21 now working on.

22 I note that in the back what has been passed out
23 is something that's different from that. It includes
24 specific staff recommendations for allocations. This is,
25 in my view, contrary to the direction that we gave the

1 staff about how to proceed with this meeting. I expressed
2 my discomfort with this yesterday to the staff. And I'm
3 sorry for anybody who feels that they might have been
4 misled about what this day was going to be.

5 But I think that hopefully we'll get back on
6 track and be able to have some very significant input from
7 this Committee as to what the allocations are going to be
8 in the five-year plan.

9 During the workshops that we held we had some
10 very interesting input from a number of parties. And I'm
11 sure we're going to hear about some of that today. We've
12 all gotten some summaries of that input. But a couple
13 things I wanted to highlight.

14 We heard from -- and actually it was in a related
15 workshop -- we heard from tire manufacturers that they do
16 indeed produce recycled-content tires; that some tire
17 lines have significantly more recycled content than other
18 tire lines. We actually have a contract out on this
19 subject, and I'm expecting to hear back via that contract
20 some specific recommendations about how we can identify
21 and promote the use of recycled content tires that are
22 already being produced, as well as ways we can promote
23 additional recycled content in tires and additional state
24 purchases or other purchases of these tires.

25 We heard about recycling.

1 We heard about the problems the crumb
2 manufacturers are facing with imported crumb from Canada,
3 and the unfair competition they're really getting from the
4 Canadian producers and the way that the subsidies work in
5 Canada.

6 We heard about clean-ups. I note some of the
7 folks from Sonoma are here today. We heard a lot about
8 the Sonoma situation.

9 We heard about research and the importance of
10 applying the type of hierarchy that we apply in every
11 other area of the work that we do, applying that hierarchy
12 to the tire program.

13 We heard about market development rubberized
14 asphalt, the Kuehl Bill, which calls for promotion of the
15 use of rubberized asphalt through a program to assist in
16 local government use of rubberized asphalt. And I think
17 we'll probably wind up spending a fair amount of time on
18 that today.

19 We heard a lot of other comments about market
20 development. Some stakeholders felt that the
21 commercialization grants should be funded at a higher
22 level. Others felt that we needed to look at things like
23 whether RAC can be recycled when it's done with its useful
24 life.

25 We heard comments again in the research area.

1 I've had a particular interest in assuring that we get a
2 good system of third-party peer review and assurance that
3 the research we do is truly research. And I'll have some
4 more comments about that later today when we get into the
5 research section.

6 So we heard a lot in this Committee. We, I
7 think, got some very good information from a lot of the
8 stakeholders. I think we may hear some more from some of
9 the stakeholders today as we go forward. And I think that
10 as a result of all this, we should come up with a
11 five-year tire plan that builds on the last five-year tire
12 plan and is a much more productive document as we move
13 forward in the coming years to assure that we reduce the
14 problems associated with improper disposal of tires and
15 promote the better source reduction and recycling of
16 tires.

17 CHAIRPERSON MEDINA: Thank you, Board Member
18 Paparian. You know, we appreciate all the work that you
19 have done on this matter, as well as that of Board Member
20 Jones and Board Member Cannella and previous board members
21 who have worked on this particular subject.

22 And with that, I'll open it up to Mr. Lee.

23 DEPUTY DIRECTOR LEE: Thank you, Chairman Medina,
24 members of the Committee.

25 Just responding to some of the opening remarks.

1 Staff will be prepared to submit our final draft to you
2 next month provided in the strikeout version that you've
3 requested.

4 Again, the reason why there was no attempt to do
5 that this time around, because we're only presenting
6 various elements of the revised plan in today's workshop.
7 The full draft revision reflecting the Committee's
8 deliberations this morning, you know, will be reflected in
9 what we're calling the final draft to be available in
10 April.

11 CHAIRPERSON MEDINA: Excuse me.

12 Just regarding the final draft, that will be
13 presented to the Special Waste Committee in April?

14 DEPUTY DIRECTOR LEE: That is our intent, yeah.

15 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I think
16 the idea is to present and adopt in April. Given that, I
17 think at the March meeting we're going to need an update
18 about where we're at so that, you know, we can have an
19 assurance of Committee input into the product.

20 CHAIRPERSON MEDINA: And we will then schedule
21 this item to go before the Special Waste and Budget and
22 Admin Committees in March.

23 DEPUTY DIRECTOR LEE: I understand.

24 I'd also again like to respond to Mr. Paparian's
25 remarks. Like I said, I, you know, take personal

1 responsibility for not perhaps being more attentive, you
2 know, to the Committee's direction at the November
3 committee meeting. I feel though that the presentation
4 that we're prepared to present today is responsive to many
5 of the issues that were raised in that meeting, and it
6 will allow the Committee a full range of latitude to
7 express their opinions and their views on the various cost
8 allocations that are desired.

9 The portions of the revised five-year plan to be
10 presented here this morning reflect consideration of the
11 comments at the three previous public workshops in this
12 matter that were held in October as previously mentioned
13 by the Committee Chair.

14 It also reflects the most recent information
15 available from our Budget Office on our spending authority
16 and available revenues and staff's attempts to reconcile
17 the same. Reflects consultation with our Legal Office on
18 statutory considerations in AB 939, Senate Bill 876, as
19 well as the Kuehl Bill.

20 It also reflects staff's attempts to prioritize
21 and address the tire plan program elements with available
22 and prospective staff resources.

23 However, all of these considerations
24 notwithstanding, staff's recommendations are just that.
25 They are provided primarily to set a framework and

1 stimulate Committee discussion and deliberation on the
2 various elements.

3 Before division staff commences its presentation,
4 I would like to introduce our Executive Director, Mark
5 Leary, who will speak on, among other things, how the
6 revised tire plan integrates with the ongoing strategic
7 plan goal review.

8 EXECUTIVE DIRECTOR LEARY: Thanks, Jim. And I'll
9 be very brief.

10 Good morning, Chairman Medina and members of the
11 Committee. A couple of points I just wanted to add in
12 terms of context before we get rolling on the details, so
13 we can get down and dirty with the five-year plan.

14 The effort today and the effort in putting
15 together our five-year plan is obviously a part of our
16 overall objective in completing our strategic plan. And
17 what I'd like to suggest to the Committee and ultimately
18 to the Board as they adopt the five-year plan is that this
19 will be the guts, this will be the details of the
20 activities that link two goals in our strategic plan.

21 I think by having this five-year plan exercise we
22 are able to get very specific about meeting some of the
23 goals and objectives that we define in our overall
24 strategic plan. And I think in that way this is a very
25 constructive exercise. It may be a little different than

1 what we're doing in some of the other programs. But in
2 terms of context, I don't know that we, the staff, will be
3 offering to the Board for consideration anything other
4 than the five-year plan in the tire program in terms of
5 implementing our overall strategic plan. So I wanted to
6 say that briefly.

7 Two other thoughts. One -- and this has become a
8 little bit of a theme for me in this time of budget
9 shortfall and fiscal restraint throughout state government
10 and the administrative issues that we have to deal with --
11 to get new resources we are in a place of very limited
12 resources, even though we are entirely special funded and
13 not subject to the General Fund shortfall. Our difficulty
14 in creating new positions and such is appropriate for
15 these budget times, but limits our ability to expand our
16 resources for the implementation of a whole bunch of new
17 ideas in addition to what we already have going.

18 So I just ask that the Committee, and ultimately
19 the Board, be aware that although we've got a
20 comprehensive suite of alternatives to implement the
21 five-year plan, both as a result of our workshops and as a
22 of staff development, we can't do it all.

23 And then, thirdly, having been a little bit
24 familiar with the original five-year plan myself, and
25 going through this two-year revision exercise, it seems

1 appropriate to me that the Committee might consider
2 focusing on really the near-term two-year horizon.

3 There was a lot of discussion from the workshops
4 that I went to about what happens in out-years 3, 4 and 5.
5 Well, ultimately, as the Committee knows, and I'm making
6 painfully obvious, is that we'll go through another
7 two-year revision in two years. So as we focus on the
8 near term, I think it will be more constructive than to
9 worry too much about the details in out-years 3, 4 and 5.
10 Obviously we have to put a five-year plan together, but
11 there will be an opportunity to revise again, once again
12 in two years as we are doing here today.

13 Anyway, thank you for the opportunity to speak to
14 that. And let's get on with the --

15 CHAIRPERSON MEDINA: Thank you, Mr. Leary. We're
16 all certainly very aware of the budget constraints and are
17 very sensitive to that. And, again, just from having read
18 the transcript in regard to the near horizon, that was
19 brought out in the last meeting by Board Member Cannella.
20 So we're very aware of that -- of looking at the very
21 near-term two-year horizon.

22 Mr. Paparian, you wish to make some --

23 COMMITTEE MEMBER PAPARIAN: Yeah, just a quick
24 comment.

25 Mark, you mentioned that you thought that this

1 would suffice for the strategic plan work in the tire
2 area. There are elements of the strategic plan that
3 aren't reflected in this five-year tire plan, things that
4 cut across programs. Like our environmental justice work
5 and our product stewardship work are two areas that come
6 to mind.

7 So I think that it may need to come back to us
8 about how we're going to assure that the tire program is
9 in line and in synch with these overarching programs and
10 priorities of the Board.

11 EXECUTIVE DIRECTOR LEARY: Okay.

12 CHAIRPERSON MEDINA: Ms. Willd Wagner.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 Actually, I'm Martha Gildart with the Special
15 Waste Division.

16 DEPUTY DIRECTOR LEE: Before you go into your
17 introduction on that, if I could for a moment.

18 Chairman Medina, I just want to say that with
19 regards to the format for our subsequent presentation,
20 division staff will present a discussion on current
21 program activities and performance measures used to
22 evaluate progress on implementation of the various program
23 elements in the tire plan. Data from Fiscal Year
24 2001-2002 will establish the baseline upon which
25 subsequent progress evaluations will be made.

1 In the subsequent part of our presentation staff
2 will present proposed program elements and budget
3 estimates for the revised five-year plan, reflecting the
4 considerations which I outlined earlier. We will be
5 providing interactive spreadsheets to assist the Committee
6 and allow you to see and consider the impacts on the
7 bottom line. These spreadsheets are basically blank
8 sheets, devoid of cost information except for staff
9 expense and emergency reserve fixed cost where applicable.

10 We would, however, respectfully request the
11 Committee as it conducts its deliberations to arrive at a
12 consensus or a majority determination on the various line
13 items so that direction to staff is clear and unambiguous
14 in these areas.

15 With that overview, unless there are any
16 additional questions, I would like to turn the microphone
17 over to Martha Gildart to continue with our staff
18 presentation.

19 CHAIRPERSON MEDINA: Ms. Gildart, I apologize for
20 calling you by the wrong name.

21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

22 Oh, Shirley and I work together so much, that's
23 understandable.

24 (Thereupon an overhead presentation was
25 Presented as follows.)

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

2 We're going to be presenting information on what
3 the Board has accomplished, what the requirements under SB
4 876 are, and where we think we should be headed based on
5 information collected at the various workshops and
6 comments submitted by the public.

7 And as Jim said, we'll be working in an
8 interactive mode at the end of this presentation.

9 --o0o--

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

11 To start with, SB 876, which you all remember was
12 passed a couple years ago and set this whole program up --
13 I have to apologize. I've got a sore throat, and I have
14 to use cough lozenges. If it gets in the way, I
15 apologize -- to have the Board extend and expand its
16 existing program.

17 The tire program had been in existence for ten
18 years prior to that. It was originally established by AB
19 1843, which was a Willie Brown bill and gave us
20 25-cents-a-tire fee to try and bring under control the
21 stockpiling of tires and to develop markets and divert
22 them from landfill disposal.

23 SB 876 increased that 25-cents-per-tire fee to a
24 dollar a tire, and emphasized certain elements of our
25 program. It augmented the Board's permit and enforcement

1 authorities to extract fines from illegal pile operators.
2 It emphasized the need to expand existing and to develop
3 new markets to use waste tires to divert them from
4 landfill disposal. And most particularly, and what we're
5 dealing with here today, is adoption of a five-year plan
6 to establish goals and priorities and performance measures
7 that would be submitted to the Legislature and updated
8 every two years.

9 The date in the statute for submittal to the
10 Legislature is July 1st. So just to know, the time line
11 we're working under is -- some time before July 1st we'd
12 like to get that to the Legislature.

13 --o0o--

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 In its attempt to develop this revision to the
16 five-year plan, the Committee held three public workshops.
17 They were held in October at Sacramento, Van Nuys, and
18 Concord. And then we followed that up with a Committee
19 meeting in November to try and consolidate and discuss
20 some of these public comments.

21 --o0o--

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 That leads me to a description of what we're
24 trying to do today. I think as Member Paparian mentioned,
25 this is a chance for you guys to sort of roll up your

1 shirt sleeves and get down and dirty with the numbers.
2 We're going to be presenting our accomplishments, our
3 performance measures, what we think is appropriate for a
4 baseline to measure future progress as the years go by.
5 We're going to try and go over a highlight of the staff
6 compilation of the comments and proposals that we've
7 received and considered for budget modifications. And
8 that's the starting point that Jim referred to.

9 We then are seeking the Committee direction on
10 specific dollar amounts for various projects in the
11 different program elements. And that's going to be that
12 interactive table that Jim mentioned. We are not actually
13 revising text in the existing five-year plan today. Our
14 plan was that we would be bringing back a document written
15 as directed and ~~strikeout~~ and underline in the April
16 timeframe. We can obviously do an update in March, as
17 necessary.

18 But what today is focusing on is the decisions of
19 what sorts of projects and programs we want to pursue so
20 that we can then fill that out with text, you know, in the
21 intervening time before April.

22 COMMITTEE MEMBER PAPARIAN: That text, as you
23 remember, from two years ago was very critical and the
24 subject to a lot of interaction about the wording of it.
25 So I think that to come in the April timeframe when the

1 Committee would have it one day and then a week later the
2 Board would have it would not give adequate time to assure
3 that we can have the type of input that I think the
4 Committee has expressed its desire to have. So I think
5 having a version in March where we really give the
6 direction on that plan is going to be really critical.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 As I said, we can give an update on how far we've
9 gotten by then, you know. I don't --

10 COMMITTEE MEMBER PAPARIAN: If the staff is
11 having trouble putting it together, I would be happy to
12 offer my own services to take the plan and produce a
13 strikeout version. But I think we need it before -- you
14 know, before we get into a crunch where we have it one
15 week and finalize it the following week. That's what we,
16 in November, said we were going to do today. And I
17 understand you've been under a lot of pressure to get a
18 lot of other things done; you couldn't get it done by
19 today. But to have a draft come before us in April at a
20 committee meeting and then vote on it at the Board meeting
21 the following week doesn't work. We need to have it
22 beforehand. And if it means that I need to take
23 responsibility, I would be very happy to do that, to take
24 the material developed today and produce a draft strikeout
25 version, which I could have done by the end of February.

1 CHAIRPERSON MEDINA: I would have to agree with
2 Board Member Paparian. What I would suggest is that we
3 will utilize some legal staff to help with the process, so
4 that working together we can have a draft to work on by
5 our next meeting.

6 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

7 If I may remember the members, that the actual
8 report is due July 1st. If we come to the Board in March
9 and then April, we can also come in May. It does not have
10 to be finalized in April.

11 CHAIRPERSON MEDINA: And I think that we all
12 understand that. However, we would like to see the
13 working document in whatever stage it's in.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 Okay.

16 --o0o--

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 All right. I'm going to give a brief
19 presentation on some of the accomplishments of the program
20 to date.

21 --o0o--

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 From the annual report that is about ready for
24 release in the year 2001, staff estimates that we
25 generated -- the State generated 33 million tires. There

1 were roughly another 2.4 million imported into our
2 recycling system. Out of that total number, about 1.5
3 million were reused; 7.7 million recycled as various crumb
4 products such as rubberized asphalt and molded rubber
5 products and mats; about 3 million used in civil
6 engineering applications; 4.2 in a variety of other
7 recycling such as stamped hold, you know, floor mats, the
8 strip mats you've seen for wiping feet, that kind of
9 stuff; 2.4 million were retreaded; and there were 5.2
10 million used in energy recovery at cement kilns and coal
11 fire cogeneration plants; roughly 2.4 million were
12 exported. And there's a mistake on this chart. That
13 should not be 22.9. It's 24.9 -- 24.9 million of the
14 California tires -- you have to subtract out the
15 imported -- were diverted; and 8.4 of the California tires
16 were disposed.

17 Giving a recycling level of almost 75 percent,
18 which is quite an improvement from the first year of the
19 program. In 1990 we were estimating about 34 percent of
20 tires were recycled. So we have doubled that rate -- more
21 than doubled.

22 This is just a graphic illustration of those
23 various recycling methods. Starting in the front there in
24 the light green is the retread export; various kinds of
25 recycling in the yellow, which is quite high peak there --

1 I'm sorry -- reused is the first one. Retread's the dark
2 red. Tire-derived fuel going to cement kilns is the light
3 purple; for coal fire cogeneration plants is the dark
4 blue; disposal is the dark red. As you can see, coming
5 from the back, which was 1990, forward what the decrease
6 has been. And the overall purple is the estimate of tires
7 generated, which has increased too with both the
8 population and miles driven.

9 Just as a very brief summary as far as some of
10 our market development activities, the funds that the
11 Board has made available in the last ten years can be
12 split into these main categories. We have provided \$10
13 million for a variety of mats and surfacing, such as
14 running tracks and playground mats, in the form of grants
15 and contracts and loans. We have provided almost \$7
16 million to support rubberized asphalt concrete, both
17 through projects with CalTrans and direct grants to local
18 governments and the rubberized asphalt concrete technology
19 centers.

20 We've provided about \$2 1/2 million to support
21 civil engineering applications such as the light-weight
22 fill project in the Bay Area along I-880 and the levee
23 project that Member Jones had been so instrumental in
24 getting going. And we've provided just over a million
25 dollars to support energy recovery activities such as

1 emissions testing and one set of direct grants.

2 --o0o--

3 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

4 One of the documents that was provided to the
5 Board members on Tuesday is our performance measures.
6 This is a draft document, and it's an attempt on the
7 staff's part to take the performance measures as they
8 exist in the current five-year plan and start compiling
9 the data required to show what we have done. So this
10 document lists those performance measures as they appear,
11 with our attempt to sort of capture our success.

12 I'm just going to hit a few of the highlights.
13 I'm not going to go through all of them.

14 For instance, with our enforcement program, in
15 the year 2001-2002, staff conducted 245 inspections of
16 both permitted and unpermitted sites, resulting in the
17 issuance of 109 letters of violation, 22 cleanup and
18 abatement orders, and 10 administrative complaints. And
19 that is the court-level activity, the administrative
20 complaint.

21 During the same time, through our Local
22 Enforcement Grant Program, the local governments working
23 within that grant conducted over 2,000 inspections with
24 results reported to the Board.

25 Out of these efforts, 32 sites have actually been

1 closed down -- 32 illegal sites have actually been closed
2 down.

3 On the remediation side, the staff completed the
4 actual removal of materials from Westley. There's still
5 some sort of paperwork issues that we're working on on a
6 couple of legal issues. But the site has been cleaned,
7 the ash and tire debris removed, and the site is clean.
8 You had a presentation by Albert Johnson in December.

9 We also issued 9 cleanup grants to local
10 governments, and we issued 22 amnesty-day grants, for a
11 total of \$330,000.

12 The farm and ranch cleanup program reported that
13 over 2,000 tires were cleaned up in their activities.

14 --o0o--

15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

16 On the research end, the Board worked with the
17 Office of Environmental Health Hazard Assessment on the
18 completion of a report on the toxicity of tire combustion.
19 We have contracts in place to examine increasing the
20 recycled content of tires. We have worked on a civil
21 engineering project, as I mentioned, in the Bay Area; and
22 a contract for increasing the life span of tires, and that
23 one is being carried out in parallel with an effort from
24 the California Energy Commission on trying to increase
25 fuel efficiency of tires.

1 We also have a contract in place that is looking
2 at the possibility of recycling the byproducts from crumb
3 operation, which include the steel belting and the fiber.

4 We've got a couple contracts going out the door
5 yet to deal with pyrolysis and energy recovery from
6 gasification.

7 We have worked with contracts to promote civil
8 engineering applications, not just conduct them. And
9 that's to provide information and training throughout the
10 state on engineering techniques using tires.

11 And we've awarded an additional contract to the
12 Office of Environmental Health Hazard Assessment to look
13 at the feasibility of establishing a cross-disciplinary
14 research center with some California academic institution.

15 On the market development side, we have a public
16 awareness survey that is under way in a multiplicity of
17 languages, and is expected to be presented at least in
18 draft form to the Board in April.

19 We have tracked the diversion and recycling rate
20 for tires, as I reported in an earlier slide, showing the
21 75-percent recycling rate.

22 We are tracking grant funds. And the write-up I
23 have shows what has been allocated to date and awarded.
24 As these grants have a two-year life span, those funds are
25 not yet closed out. We won't be able to report back on

1 what percent of the awarded funds were actually used until
2 a year later. So that is something we're tracking.

3 And we're also tracking, as the plan laid out,
4 what tires -- what California tires are being disposed.
5 There is a little difficulty in ascertaining that number
6 because there are also tires being brought in from out of
7 state for disposal. And it requires the landfills to
8 track who the generator of the tire is for us to really
9 try and hone in on that number. And we're hoping with the
10 new waste tire manifest system that the data will be more
11 accurate in the coming years as we can collect additional
12 information.

13 --o0o--

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 And as I said, the manifest program, we have
16 developed the manifest form. We've identified roughly
17 12,000 generators of waste tires, and are in the process
18 of contacting them to inform them of the new requirements
19 for the use of a manifest by both the generator, the waste
20 tire hauler, and end-use facility.

21 We have training scheduled for all of the above,
22 but particularly for the hauler, in the May and June
23 period of this year, with the idea that the actual
24 implementation and use of the manifest will start this
25 summer. And we're hoping, as the manifests are submitted,

1 to pull out of that various types of data as required
2 under the plan.

3 Very briefly I wanted to describe what's
4 available here in the way of funding. Oh, no, I'm sorry.
5 This is the last current -- last fiscal year. There was
6 \$30 million budgeted under the five-year plan. And out of
7 that we got about \$25.7 million out the door in a whole
8 variety of projects. And I think that's quite an
9 accomplishment. I don't suppose this table's going to be
10 legible to everyone, but I wanted to lay out the issue
11 that Mark touched on about staffing levels.

12 --oOo--

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 The first column represents the number of staff
15 working on the tire program before implementation of the
16 plan and the new fee. Now, you have to understand these
17 are all sort of snapshots in time. You know, you can move
18 forward one month or two months and something's going to
19 change. Someone has left, someone retires, we've hired
20 someone. But I tried to take as clear a picture as I
21 could.

22 That the enforcement program had a total of eight
23 staff, with support from the Legal Office of roughly two.
24 We had four program staff in remediation.

25 The research category -- research element's a

1 little difficult because some of the projects are
2 conducted through the section that does the cleanup and
3 some are conducted through the section that does market
4 development. But roughly one staff from each of those two
5 sections were working on research projects.

6 Plus five staff in market development, and a
7 vacancy. Hauler manifest program had one staff. And the
8 management for the branch consisted of roughly two.
9 Giving a total of about 25 staff working on the tire
10 program.

11 The numbers highlighted in blue are those, you
12 know, management types or Legal, who provide more support.
13 And if you subtract those, it gave 20 real live breathing
14 bodies working on the program at the time. And that was
15 what I was trying to distinguish there.

16 In the first draft of the five-year plan the
17 Board approved in March of 2001, we had requested an
18 additional 20 staff people to help carry out the terms and
19 projects in the plan. When the Budget Act was signed the
20 Governor had blue-penciled some of the additional
21 requested positions, and we were given 10 positions, for a
22 total of 30.

23 However, we had not hired more than half that
24 number before some of these hiring freezes came down. And
25 since then it's been sort of a running battle between

1 people retiring and leaving and having exemptions to the
2 hiring freeze and hiring one or two and then someone else
3 leaves. Right now we are operating with roughly 30
4 people. But once again the blue highlighting indicates
5 where we have, you know, the management and more support
6 staff, leaving us somewhere around 23 or 24 live bodies to
7 carry out the program.

8 And this is just my attempt to show you sort of
9 what we've got right now and why going from a
10 25-cent-per-tire program in November of 2000 to
11 a-dollar-a-tire program, roughly \$6 million income a year
12 to \$30 million a year, has been quite a struggle with that
13 minor increase in staffing level.

14 --oOo--

15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

16 Okay. What we've been looking at here on the
17 current workload is with those 30 staff that we've got
18 now, and some of the numbers that I ran through just now
19 in the performance measures and the number of grants that
20 are being managed -- and these grants are not just a
21 one-year affair. You go through the whole process of
22 adopting the criteria and getting Board approval of grant
23 awards and developing grant agreements, and then you have
24 another two years to actually manage the grant. So there
25 is a three-year life span for those grants. That means

1 they build up from year to year.

2 So based on what we're doing new and our estimate
3 of the projects added for this coming fiscal year, we see
4 a need for 9.5 additional positions if we want to carry
5 out the work. Now, that's not quite such a shock as may
6 be because the current budget, as I understand, has a
7 proposal from the Governor to include 5.5 PY's. So that
8 would go a long ways to filling our needs. It would leave
9 us roughly 4 PY's short of what we estimate as a need.
10 But it would certainly be much better than we are now.

11 So that's just a brief overview of what our
12 current condition is.

13 To let you know what we're looking at for Fiscal
14 Year 2003 and 4, there is roughly and expenditure
15 authority of \$31.7 million in the budget. However, before
16 the Board can look at exactly what they're going to be
17 using, we have to take off some of the mandatory
18 contracts, leaving us with \$30.3 million, as compared to
19 the five-year plan which right now had an estimate of
20 \$32.17 million. So as you can see, just between the last
21 plan and what we've got now, we have to make some
22 reductions.

23 COMMITTEE MEMBER WASHINGTON: Martha, what are
24 the mandatory contracts? Just give me a brief, if
25 anyone --

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

2 I'll try my best. But maybe T.J. can jump in.

3 It's to cover things like the contract we have
4 with the Board of Equalization to collect the actual fund.
5 That's limited to a certain percent, I think 3 percent or
6 something. Anyway, it's about \$800,000.

7 And it's also things like the rent, court
8 reporter, Governor's office in Washington DC. A variety
9 of things that are distributed among state agencies that
10 we have to provide out of each of our funds. And --

11 COMMITTEE MEMBER WASHINGTON: Yeah, I just did
12 that -- a couple of folks asked me about this. So I just
13 wanted to make sure. They went over with me yesterday,
14 but just so we could reiterate what that mandatory
15 contract represents.

16 Thank you.

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 In addition there have been some modifications to
19 the estimates of staff expenses made by Admin that show up
20 in the staff proposed document, which slightly reduce
21 overall the amount of money available for the Board to
22 allocate for the coming year.

23 Just very briefly, the staff document, which was
24 an attempt to set sort of a starting point for the
25 discussion, overall we are proposing to maintain the

1 enforcement program at its current level, both for the
2 coming fiscal year and in out years.

3 Obviously if there are some additional staff
4 positions awarded, then we may have to make adjustments
5 here. But we are operating with what we have now, note
6 that possibility of the new positions coming in future.

7 In addition, the hauler manifest program, which
8 actually comes at the end of the document, is recommended
9 for maintaining at the same level. Where we start making
10 some proposed changes are in the funds available for the
11 remediation program where we are proposing a couple
12 modifications to overall reduce it slightly across the
13 years. Part of that is due to the fact that the Westley
14 cleanup is ahead of schedule, and a high level of cost
15 recovery I guess has been accomplished. We were able
16 through court actions to get quite a bit of the money the
17 Board spent back through various court actions.

18 So our feeling is that money -- some of that
19 money can flow to the Tracy site cleanup or, as I think
20 Jim mentioned, the Sonoma -- actually Member Paparian
21 mentioned the Sonoma site.

22 Anyhow, staff was proposing a minor shift of some
23 funds from the short-term remediation projects to the long
24 term, a decrease in the local government waste tire
25 cleanup grants, and a decrease in the local government

1 amnesty day grants. And that would bring down the overall
2 total for the enforcement program.

3 In the research program we were proposing
4 actually to increase totals across the years. In some
5 instances we were proposing to combine projects. For
6 instance, in the five-year plan there is the follow-up
7 report for the pyrolysis and gasification effort, which is
8 currently underway, to look at that feasibility.

9 We are proposing to combine that, but at a lower
10 total amount, with the energy recovery from the tires
11 program. That saves both staff workload and reduces
12 dollars there that can be used elsewhere, or proposing to
13 reduce the civil engineering uses for tires. But there
14 are several new projects that have been proposed. These
15 are some that have come through the public comment and
16 through the staff work.

17 For instance, in the FY '03-'04 staff has
18 proposed that we have a contract study to get a better
19 handle on the number of waste tires generated. This has
20 long been a difficult point to grapple with. The tire
21 dealers do not maintain the kinds of sales data that we
22 can tap into. The BOE data looked at replacement sales
23 and automobile sales. And those aren't necessarily
24 tightly linked to the number of tires generated that year.
25 Because the car sales, you know, those tires aren't going

1 to come off the car for four or five years. And it's been
2 hard -- you know, we've estimated it each year. But the
3 number's a little bit soft. So one proposal was to try
4 and do a thorough study on the waste tires generated.

5 There are a couple projects proposed for some of
6 the out years. For instance, we get many questions from
7 people even though the Board has long supported the use of
8 crumb rubber in playground mats and running tracks for
9 schools, we do get questions about possible health
10 affects, more so with the playground mats that the
11 children are, you know, rolling around in them. Or if
12 it's a loose fill mat, and there are pieces the child can
13 chew on or something.

14 So one of the things we were proposing for FY
15 '04-'05 is a study on health effects, good and bad -- you
16 know, there's been proven improvements in impacted
17 attenuation. They talk about nine-foot drop heights. And
18 I always imagine them holding a little kid up by the heels
19 and sort of looking to see if it bounces.

20 But they talked about decreased injuries from
21 impacts due to these mats versus possible health effects
22 from any volatile organic compounds that might be off gas.
23 So we wanted to look at those.

24 There have also been many questions raised on
25 whether or not the civil engineering applications using

1 the shredded tires as fill -- light-weight fill in
2 applications where you'd have to be using the more
3 expensive expanded clay shells and other such fills. But
4 there have been questions on the water quality impact. So
5 in 5-6 we were proposing a possible study that would have
6 to look at several sites and may have to gather data from
7 states because there are so few projects here in
8 California on what those effects could be.

9 There's a proposal to do a comparison study --
10 and this came from one of the universities -- on waste
11 tire diversion techniques, the costs. What costs are
12 there in the variety of uses, whether it's civil
13 engineering, whether it's crumb made into mats or
14 rubberized asphalt or energy recovery or any of those, but
15 an overall cost comparison of those techniques.

16 And the last one, a sort of an ongoing, it's a
17 little bit of research. It's a little bit actually of
18 sort of enforcement and cleanup, is to establish a
19 relationship with the Department of Health Services and
20 the Mosquito Vector Control Association of California to
21 look at treating tires, identifying tire piles, and
22 researching the breeding habits of mosquitos in tire
23 piles, which has become a bigger issue now in face of the
24 West Nile Virus.

25 And this is something that might be looking at

1 tire miles below our authority. The Board has authority
2 to regulate tires that have 500 -- piles that have more
3 than 500 tires in them. Under 500 we do not have
4 authority. However, a dozen tires can be a breeding
5 ground for mosquitos. So this is something we were
6 thinking that the Vector Control Association and Health
7 Services might help us look at some of these smaller
8 piles. You know, they have staff out in the various
9 districts who can identify some of these piles, figure out
10 whether they could be cleaned up or whether they need some
11 kind of spraying or treatment to control the mosquitos.
12 So we had some dollars penciled in here for that kind of
13 activity.

14 Okay. On the Market Development, we're proposing
15 overall to have an initial decrease in this first year to
16 meet that decrease in the overall funds available,
17 followed by increases in the later years. But, as Mark
18 said, we're only really looking at two years at a time.
19 Those out years could definitely be adjusted again.

20 For instance, we are talking about sort of
21 combining the efforts for the public awareness survey. As
22 I said, we've got the survey underway. The results should
23 be available in April. The idea was that those results
24 would fold into designing an actual public education
25 outreach type of program which would carry on into the

1 future.

2 We're also looking at cost savings by trying to
3 combine that program with the used oil public education
4 and outreach program. And we think we can get some
5 savings by combining those three elements and overall
6 reducing some dollars at one point but increasing them as
7 another.

8 The civil engineering uses for tires. We had
9 chunks of money in the research program and in the market
10 program, with the idea that once we prove that these
11 things would work, folks would be wanting just to use them
12 on an ongoing basis. That program's been much slower to
13 get started. I'm proposing to not fund it as high a level
14 as initially proposed, to wait to build that. So that it
15 would be a zero amount instead of the million dollars in
16 '03-'04, slowly growing, \$500,000 in the '04-'05, to a
17 million for the out years, with the idea that it's just
18 taking a little longer to get that to the market.

19 We are proposing a slight increase in the track
20 and recreational surfaces program, but also having it zero
21 out in the long run, similar to the playground. And that
22 is, the Board has been doing these grants for awhile,
23 especially the playground grants. We feel that at some
24 point this market has to stand on its own two feet. And
25 while there's been a lot of interest in the track, at some

1 point we are proposing, especially when the 75 cent fee
2 jumps in, that we should back out of funding those
3 projects.

4 Let's see. What are some of the other biggies.

5 Oh, there's a proposal -- we have done some
6 projects through the State Parks where we were funding
7 them at a \$200,000-a-year level to do a variety of
8 rubberized asphalt and other rubber products in their
9 parks. We're thinking of expanding that to include some
10 other state agencies, whether it's CalTrans and using
11 weed-suppression mats along highways or even a proposal
12 that came from the Prison Industries Authority where they
13 would like to get into the production of various recycled
14 tire products such as those weed-suppression mats.

15 So there might be ways to look into those
16 projects.

17 COMMITTEE MEMBER WASHINGTON: Martha, let me ask
18 you a question.

19 You mentioned that you're looking at phasing out
20 the programs for the playgrounds. Aren't those programs
21 matching grant programs?

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 Yes. Depending upon the economic conditions of
24 the grant applicant, there's either a 25 percent or a 50
25 percent match required from them.

1 COMMITTEE MEMBER WASHINGTON: Why would we phase
2 them out if we are matching?

3 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

4 Because we've been doing them now for about six,
5 seven years. You know, we're proposing doing them another
6 two or three years. But at some point -- the idea is:
7 Isn't this an established product? Isn't this a product
8 that everyone feels comfortable is working, is the best
9 thing out there and should be bought for its own worth,
10 rather than because we subsidize it as a recycled content
11 product? That's the concept.

12 The Board has long talked about this idea of how
13 long do we subsidize these new recycled content products
14 before -- like steel. The most steel that you buy today
15 is recycled. No one needs that added dollar boost to go
16 and buy recycled steel. So at what point do we feel our
17 markets are established enough to not require that
18 subsidy?

19 COMMITTEE MEMBER WASHINGTON: Yeah. And I guess
20 my only concern would be that picking two years, three
21 years, how do you justify saying, "Okay, I think we should
22 just finish in two years" or how we finish in three years?
23 I would be more interested in figuring out -- and
24 certainly I'll be glad to talk with you more about the
25 term that you've mentioned in terms of two years versus

1 three years. California's a huge place, and there's a lot
2 of businesses out there who need subsidizing at a point,
3 especially in the time of the budget crisis that we're
4 going through now.

5 I think in the out years as a form of legislation
6 that we're going to continue to have the problems we're
7 facing. The reality is that they won't close the \$25, \$30
8 billion dollar hole in this budget year or next year. So
9 I think that we should kind of look a little bit further
10 down the road rather than closer in terms of a phase-out.
11 And I would just like to see if there's a more justified
12 way that we could do that.

13 Thank you very much.

14 CHAIRPERSON MEDINA: Board Member Washington, I
15 think that's a very good observation. And just to place
16 this into perspective, you know, this is a staff
17 recommendation and it's one that really comes down to a
18 policy question that the Board itself will take up and
19 make a decision on.

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 Certainly.

22 I think the last one in the markets of interest
23 is the rubberized asphalt concrete grants. This gets a
24 little bit complicated. This is the link to the Kuehl
25 bill, AB 1346, where the Board is authorized to provide

1 grants to local governments with a sort of formula-based
2 approach on what type of rubberized asphalt, at what
3 amount per ton. So that the grants would be limited to
4 about \$50,000 per.

5 And it also sort of sets a goal for the funding
6 level of 16 percent.

7 What the staff's trying to recommend is we work
8 our way up to that funding level; partly because of our
9 experience in other grant programs, it takes awhile to get
10 the word out, to get our own bugs out, to get a system
11 that's working well and gets fully subscribed, partly to
12 acknowledge the budgetary constraints we're working under.

13 Right now -- and we've been meeting with the
14 rubberized asphalt concrete technology centers -- we're
15 looking at a program to try and maximize the flexibility
16 so that applicants can submit to the Board. We can
17 approve their ranking, have them build through their
18 construction season that typically lasts in a spring to
19 fall manner, and then start making payments at the end;
20 but in such a way that if a project drops out, we can go
21 to the next fund down, the next project approved down that
22 list. This is trying to acknowledge how many local
23 governments operate, especially in a time of budget
24 constraints and shortfalls, that paving projects are often
25 put off if they have more immediate needs for school, fire

1 and police. You can often just patch a few potholes
2 rather than repave the entire road and wait another year.

3 So rather than have our monies allocated to a
4 project that then doesn't happen that year, we want to
5 have this listing of projects that we could fund. To do
6 that, to be able to switch the dollars through that list,
7 we have to award in the same fiscal year of the
8 appropriation authority. So we want to get the paperwork
9 out of the way in the prior fiscal year. So the
10 announcement would go out, once the Board approves the
11 criteria this summer, for applicants to come in to be
12 funded in the following fiscal year is how we're looking
13 at it, so the projects would be built next summer.

14 Now, this is just a very preliminary discussion.
15 We have not said anything. I just wanted you to know the
16 kinds of discussions we're having right now. And I'm not
17 sure how much you want to talk about details of that
18 program at this point or later. But that is why we
19 proposed this sort of ramping up of the funding for that
20 grant program.

21 --o0o--

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 And then, as I said, the manifest program is
24 pretty much untouched. And I just wanted to hit some of
25 the highlights here to remind you that the tire fee drops

1 midpoint in our fiscal year. It is a dollar through
2 December 31st, and then January 1st we get the 75 cent
3 fee. So that's six months in that fiscal year at a dollar
4 and six months at 75 cents. That means we have a roughly
5 \$28 million estimate.

6 And, obviously, if there's a really bad recession
7 or something and people aren't buying tires as fast or
8 replacing their old tires, these revenues may be lower.
9 But there's an estimated \$28 million of revenue for that
10 year. And then in fiscal year 7-8, where the fee drops to
11 75 cents for the 12 months, we're estimating about \$24
12 million. So this is one of the things while we're looking
13 at out years of reducing certain programs as our income is
14 going to be reduced.

15 Now, there is sort of a difference between
16 revenue and budgeted expenditure authority. And I know we
17 had a discussion at a couple of the committee meetings
18 about having a reserve fund and whether we could use those
19 dollars to augment. So that even if we only have 28
20 million in revenue in 6-7, if there's 3 million or 4
21 million in our reserve, we can use that to keep our
22 expenditure authority at the 31, 32 million level for a
23 year or two. But at some point we would be using up that
24 savings account and then would have to drop to that lower
25 expenditure authority.

1 So at this point we could either go into our
2 interactive tables that we've described or we can take
3 some questions here. There are people in that audience I
4 know who have interest in specific projects and funding
5 levels. I know we're taking public comment at the end.
6 But if you had any questions, we might be able to answer
7 some of them now.

8 CHAIRPERSON MEDINA: At this time we'll determine
9 what our process will be for moving forward with this.

10 Board Member Paparian, do you have a suggestion
11 as to how to proceed?

12 COMMITTEE MEMBER PAPARIAN: I think maybe going
13 section by section with the interactive spreadsheets.
14 I've also got -- I don't know if it will work in that
15 context, but I've got some specific content changes for
16 the plan. It's not too much. It's a few paragraphs. But
17 maybe at -- well, we'll see how it goes. Maybe at the end
18 I'll bring that out. But I think having the spreadsheets
19 would be --

20 CHAIRPERSON MEDINA: Just to be clear, are we
21 going to move forward on this document as well as the
22 accompanying draft performance measures? Or which
23 document will we be working on?

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 It's the -- the staff proposal on the budget was

1 to give you guys some ideas of what to work with, you
2 know, of comments and proposals that have been made by the
3 public and ideas that have come from the staff. However,
4 the tables that we're going to be putting up shortly are
5 pretty much blank. We're asking for your idea of how much
6 money you want to go to those programs and projects in
7 each of the elements.

8 So I had hoped that staff document would be just
9 a starting point to stimulate discussion and thinking.

10 So, yes, we'd sort of be following the structure
11 of the staff document, the one that's in all the pretty
12 colors. And it's available on the back of the table if
13 people in the audience are wondering. So we could go into
14 the interactive tables now and start with the enforcement
15 program.

16 Okay. If you want to just hold here for a
17 moment. This is actually the total -- this is the table
18 that shows the back of the five-year plan where all the
19 program elements across the years are totaled up.

20 And just so you understand what we're doing, we
21 will be going through each individual element --
22 enforcement, cleanup, research, markets, et cetera -- to
23 look at specific projects within the elements. As we
24 insert dollars to those blank tables, they will
25 automatically add up. And that number will then show up

1 in this table. So we can switch back to this table
2 periodically to see how we're doing in meeting our total.

3 So, for instance, here is the enforcement
4 program. And it shows the new estimate on the costs for
5 the various staff, you know, salaries, benefits, travel,
6 et cetera. But we've not filled in any dollar value for
7 any continuing operations with the California Highway
8 Patrol to do their roadside stops and, you know, assisting
9 us in some of our cleanup efforts.

10 And it also has not put in a dollar value for the
11 local enforcement agency enforcement grants.

12 In the very first column we are showing what is
13 currently in the plan for those amounts. And the staff
14 recommendation --

15 CHAIRPERSON MEDINA: Excuse me.

16 In this particular area, I had a concern. In
17 reading the report, the five-year plan report, it stated
18 in there on page 7 that "The Waste Board has imposed
19 \$1,421,550 in fines against owners and operators who have
20 failed to comply with tire program requirements. And that
21 to date we have collected approximately \$75,000 of the
22 imposed fines, and we have placed liens against property
23 totaling \$224,000." That seems like a very small amount
24 that we have been able to recapture.

25 Do we have any sort of a collection process? Or

1 what is our process for seeing to it that the \$1,421,500
2 in fines is collected?

3 CHIEF COUNSEL TOBIAS: Chairman Medina, let me
4 respond to that.

5 We have liens on most of the properties that have
6 been cleaned up. The reason that we do liens is because
7 most of the people whose property we clean up do not have
8 the resources to pay the fines that have been assessed
9 upon them.

10 So we have liens on probably 90 percent of the
11 property that's gone through the cleanup process and for
12 the rest of it we're still working on that.

13 As you may or may not know, starting January 1st,
14 2003, we now have the right to put a lien on the property
15 ourselves. Which prior to this we had to basically take
16 our judgments from the Office of Administrative Law and go
17 to the courts to have that converted into a judgment, and
18 then get a lien on it. So we were able to basically cut
19 through that process.

20 I think what that does mean is that of course
21 with a lien on property we're not going to see that money
22 until the property is sold. So that doesn't -- it means
23 that there's not going to be an immediate influx of cash
24 back into the program from those. But it does mean that
25 there is a certainty of collecting those fines in the long

1 run.

2 CHAIRPERSON MEDINA: And so the amount of
3 \$224,018, that will increase significantly.

4 CHIEF COUNSEL TOBIAS: Yes. I'm not exactly sure
5 where you're reading from.

6 CHAIRPERSON MEDINA: This is the five-year plan.

7 CHIEF COUNSEL TOBIAS: The old one?

8 CHAIRPERSON MEDINA: Yeah, it's the old one.

9 CHIEF COUNSEL TOBIAS: So you're on page 7 where?
10 Oh, right here?

11 CHAIRPERSON MEDINA: Correct, yes. Page 7,
12 second paragraph.

13 Those two amounts just seemed rather small in
14 comparison to the total amount of fines that were imposed.

15 CHIEF COUNSEL TOBIAS: Right. And as I say, I
16 think you will find, and I do have more -- I have current
17 numbers that I could bring down from upstairs if we needed
18 to today, or I could get those to you. But I will tell
19 you that they are a great percentage. I would say 80 to
20 90 percent are liens on property. So I'd say that these
21 numbers are fairly reflective in the amounts of what we
22 have brought in terms of cash and what is on lien
23 property.

24 CHAIRPERSON MEDINA: Thank you. And the only
25 reason that I raise that particular issue is to see if we

1 needed additional resources in that area be it PY's or
2 money, and they will be able to, you know, step up our
3 enforcement and collection of fines.

4 CHIEF COUNSEL TOBIAS: Well, of course we can
5 always use more legal staff.

6 (Laughter.)

7 CHIEF COUNSEL TOBIAS: I couldn't resist.

8 But I think that the law that was passed last
9 year that enables us to have the direct lien authority
10 actually is a huge help and has cut out a certain amount
11 of work right there.

12 I think what's happened actually over the last
13 seven years as we've built up the cost recovery program
14 with the tires is that we have streamlined the process.
15 You know, every year I would say there's been an
16 increased, you know, efficiency and effectiveness to it.

17 But I think the next thing we're really looking
18 at is the tire manifest program. I think the tire site
19 program is actually in fairly good shape.

20 CHAIRPERSON MEDINA: Thank you.

21 COMMITTEE MEMBER PAPARIAN: If you go back to the
22 chart before the summary chart.

23 One of the things that's called for in 876 that
24 we kind of tripped up over a little bit with regard to the
25 RAC centers was program evaluation. Eight seventy six

1 very clearly calls for regular evaluation of the
2 effectiveness of the tire program.

3 One of the things that I'm thinking is that we
4 should set side, apart from each of these individual
5 program areas, for program evaluation and review something
6 like 200, 250,000 a year so that we can draw on that to
7 look at some of the specific programs as needed or the
8 overall program.

9 And in setting aside a chunk like that, it
10 doesn't fit neatly into each of these categories, with the
11 exception of administration. But administration was meant
12 to be something a little bit different. That was meant to
13 be a very specific percentage for overall administration
14 of the program, which I think was apart from the program
15 evaluation.

16 So I'd like to see a line just across the board
17 that says program evaluation and maybe 250K a year set
18 aside for that.

19 DEPUTY DIRECTOR LEE: Mr. Medina, was \$250,000
20 for each element or \$250,000 in total?

21 COMMITTEE MEMBER PAPARIAN: No, total. And as I
22 say, it doesn't fit neatly into the other categories.
23 That's why I was bringing it up in the context of this
24 chart.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 Are we able to add a line to that?

2 That's the Committee's --

3 COMMITTEE MEMBER PAPARIAN: And then carried --
4 yeah, carried into each fiscal year, yes.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 Okay. Should we go back to enforcement?

7 COMMITTEE MEMBER PAPARIAN: In terms of the
8 enforcement numbers, I was fine with, you know, carrying
9 forward with what staff had suggested on the rest of the
10 CHP and the LEA enforcement grants.

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 So that would be \$200,000 for CHP in '04-'05?

13 CHAIRPERSON MEDINA: Board Member Washington, are
14 you in agreement?

15 COMMITTEE MEMBER WASHINGTON: Yeah, I was just --
16 in terms of the CHP, has -- let me see how I want to say
17 this. The 250,000, has that been enough for them to do
18 their -- because I was reading where they've done like 276
19 or 200 and whatever the number is in terms of helping you
20 guys locate illegal operations. And out of that, 103 has
21 been enforced or something like that; is that correct?

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 We actually have funding for the CHP in two of
24 the program elements. There's the money here in
25 enforcement and then also in the manifest -- no, wait --

1 the cleanup program. I'm sorry, I misspoke. And that's
2 to help with the fly-overs and identification of sites.

3 No, it is the manifest. I'm sorry, I'm getting
4 them mixed up.

5 There's two funding elements in the hauler and
6 manifest program and the enforcement program, with chunks
7 of money both. And so we sort of combine that into one
8 contract with the CHP and list out these activities. And
9 I think to date it's been enough. If Don Dier has any
10 sense whether they need additional money --

11 CHAIRPERSON MEDINA: So does the 200,000 reflect
12 the combination of both of those?

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 That's just half.

15 MR. DIER: Yeah, that's half of what --

16 CHAIRPERSON MEDINA: So in total how much does
17 the California Highway Patrol get from the Integrated
18 Waste Management Board for whatever activities they carry
19 out for us?

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 I think it's 400. Yeah.

22 MR. DIER: I think it's 400,000 this year.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

24 And then 200,000 -- 600,000 next year between the
25 two.

1 MR. DIER: And staff believes that's adequate.

2 COMMITTEE MEMBER WASHINGTON: Okay. Thank you.

3 CHAIRPERSON MEDINA: Okay. With that we will
4 adopt these --

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 Oh, wait a minute. I'm sorry.

7 There's the enforcement grant program should get
8 switched back. Oh, you felt that should be carried across
9 too, was that -- was that the right level for the grant
10 program, \$6 million going across?

11 COMMITTEE MEMBER PAPARIAN: Yeah, I think we may
12 have to revisit these when the numbers all add up at the
13 end obviously.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 Right. Okay.

16 Yeah, obviously, as we work our way through, if
17 there's a wish to increase something elsewhere, then we
18 may have to come back.

19 Okay. I'm just going to propose that we do the
20 manifest program, because that's also a fairly simple one.
21 And it was one that staff had not really proposed any
22 changes to the program elements.

23 And this was obviously where that CHP shows up.
24 I think it was 200,000 for one year and then increasing to
25 400,000 in out years.

1 Actually, Sally, I believe it's 400,000 in 3-4.

2 Yes, the five-year plan has 400,000 earmarked for
3 fiscal year 3-4.

4 So is it the Committee's wish to continue that
5 funding out through those years or make changes?

6 COMMITTEE MEMBER WASHINGTON: Yes.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 What the staff had proposed was 400,000 for the
9 first three years, dropping to 300,000 in the last two
10 years to reflect the change in the 75 cent fee.

11 Is that concurrence then? Okay.

12 CHAIRPERSON MEDINA: Just one question.

13 In the training for the Mexican tire haulers, is
14 that included in here as part of one of these figures that
15 you have?

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 The hauler program and manifesting is sort of a
18 lumped together dollar figure. It includes the actual
19 costs for the printing, mailing and processing of the
20 manifests and all the IMB, Information Management Budget,
21 for the processing when they're submitted electronically.
22 And that includes training on these new requirements.

23 I'm not sure if they have a separate dollar
24 figure. We can ask Don.

25 MR. DIER: I don't have a separate dollar figure

1 for that. But, yes, this includes training. We're
2 scheduling that now at nine venues, extensive training in
3 both English and Spanish in southern California and in the
4 Bay Area. That will be occurring in May and June this
5 year initially, and then we'll be continuing repeated
6 training over the next 12 to 24 months.

7 CHAIRPERSON MEDINA: As I recall, we had approved
8 to the Board specific training for the Mexican tire
9 haulers. So I want to make certain that that is included
10 in whatever amount has been budgeted here.

11 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I think
12 that would be then appropriate to both describe in the
13 text of the plan and to develop a performance measure on,
14 you know, how much training are we going to conduct, so
15 forth, so that we can report on that.

16 COMMITTEE MEMBER WASHINGTON: I want to -- Don,
17 in terms of -- Martha said that she would like to see the
18 number, if I'm correct, Martha, reduced for the CHP based
19 on the fee from 75 cents to -- or whatever it was.

20 What does that do if we reduce this grant in
21 terms of them providing such a good service? From what I
22 see, they do a good job here in terms of helping locate.
23 What would that do if we reduced this number? Because I
24 would like to see it stay the same.

25 MR. DIER: Well, I have given up predicting that

1 far out, you know, what the situation will be four or five
2 years out in the future. I would like to hope that the
3 program is successful enough -- in fact I think, just
4 based on what we've done so far this fiscal year with the
5 CHP -- we're getting results already on increased
6 compliance.

7 COMMITTEE MEMBER WASHINGTON: That's my point,
8 exactly.

9 MR. DIER: I think the benefit is already
10 showing. So I think that would justify --

11 COMMITTEE MEMBER WASHINGTON: And that just for
12 the Board's benefits. I would just like to see that
13 remain the same number.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 So should we put that at 400,000 across the five
16 years, or how are folks feeling?

17 CHAIRPERSON MEDINA: Let's go ahead and do that.
18 And we'll come back and make some adjustments as we come
19 up with the final budget numbers.

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 Okay. And then the manifest program, that's also
22 an estimate on the cost. There may be some reduction in
23 like printing and mailing costs when we convert to more
24 and more electronics. So we had originally proposed
25 decreasing that in the new -- in the last two years to

1 800,000.

2 And this is a little background for Mr.
3 Washington. We put quite a bit of effort into developing
4 a new manifest system that has to be used by the end-user
5 and the generator and the hauler. And they're reporting
6 all that data to us. So that initially there's going to
7 be a lot of pieces of paper floating around and being
8 mailed back and forth. But we're also developing a system
9 where the larger operators, who are a little more
10 sophisticated in how they conduct business, can submit
11 that information directly to us electronically. So we're
12 sort of, real rough estimate here, saying that when they
13 start converting to that, we'll have decreases in costs.

14 So that was our proposal, was to do the 1.1
15 million for the first three years, dropping to 800,000 in
16 the out years.

17 COMMITTEE MEMBER PAPARIAN: At what point would
18 the decreases in cost kick in, do you think?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20 The decrease?

21 COMMITTEE MEMBER PAPARIAN: At what point would
22 your costs go down? I mean it's hard to believe that you
23 would have a \$310,000 drop in a single fiscal year. So
24 you probably went down at some point.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 Oh, we could stairstep it, if that's what you're
2 saying, sort of drop it off gradually.

3 COMMITTEE MEMBER PAPARIAN: Yeah, if -- I mean it
4 sort of makes sense. But I don't want to shortchange the
5 program. But, again, it's hard to believe that in that
6 program you'd have that big a jump in one fiscal year.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 We don't have anyone from IMB here who might
9 know -- let's put Doug on the spot.

10 MR. RALSTON: Chairman Medina, Board members:
11 Doug Ralston, IMB.

12 We are in the, as Martha indicated, in the
13 initial stages of developing an electronic data transfer
14 for some of the larger haulers. We anticipate that there
15 will be savings. What those will be, we're not quite sure
16 now because we haven't tested it. We haven't even got it
17 into production yet.

18 I would think that we would have a better feel
19 for what that may bring us in the out years probably
20 toward the end of this year in terms of actually getting
21 some of the larger haulers involved, having them sending
22 us information frequently such that we could start to be
23 able to estimate costs based on savings to perform
24 printing, postage, and internal processing.

25 But right now I don't know that we have a real

1 good figure on that.

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 There's also Mark's point that he'd like us
4 focusing on these first two years.

5 Do you feel that those first two years should
6 stay at the 1.1 million? That's '03-'04 and '04-'05.

7 MR. RALSTON: Are you asking me? I'm sorry.

8 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

9 I'm sorry. I'm asking you, but I'm trying to
10 make sure the court reporter hears me.

11 MR. RALSTON: Yes, I would say so. Until we get
12 some firm figures to show that indeed there will be some
13 savings and in what areas, we're, like you say, still on
14 the planning phase, still trying to get this thing up and
15 moving. So I would think, again, by the end of this year,
16 maybe the end of next fiscal, we would have some certain
17 figures based on actual numbers of production of the
18 automated system.

19 CHAIRPERSON MEDINA: Board members?

20 COMMITTEE MEMBER PAPARIAN: So I mean just -- and
21 then, yeah, in terms of the 800,000 in the out years, you
22 know, we don't know if that's right, if it's high, if it's
23 low. To make this, you know, budget work, maybe we might
24 even want to even lower that to 700,000 because of the
25 100,000 increase, but recognizing we're going to review

1 those in a couple years.

2 MR. RALSTON: I would think that would be the
3 prudent course. Let's see how this is working. It may be
4 that we'll be able to expand this beyond the one or two
5 that we currently have, set up a pilot project, and we
6 would be able then to, you know, accrue additional
7 savings, and certainly have harder or more firm figures on
8 which to base that decision.

9 CHAIRPERSON MEDINA: Okay. So if we change the
10 800,000 to 700,000, then what is our new bottom line
11 figure?

12 We don't have the budget and admin process set up
13 so -- like we did before.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 Well, actually we could switch forward to the
16 first table to show you what's so far been -- now,
17 obviously the numbers that are in there from the other
18 elements have not been directed by the Committee. They
19 were just sort of placeholders there.

20 I think we'd probably need to march down through
21 the rest of it to really get a sense of that bottom line
22 number.

23 CHAIRPERSON MEDINA: Let's proceed then with the
24 700,000 projected for '06-'07 and '07-'08.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 Okay. So the next one we can go to would be the
2 cleanup program.

3 This is one the staff had some rather extensive
4 changes proposed. But we are interested to hear the
5 Committee's direction whether any of those changes seemed
6 appropriate to you or whether you wanted to make some
7 further reductions or increases.

8 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, my
9 biggest concern was not this chart, but the next one that
10 calls out specific sites. And my concern on that one --
11 and you don't need to go to it right now. But my concern
12 on that one is that it may create an expectation that
13 there's money allocated for specific sites when we haven't
14 yet reached an agreement with the owner about their level
15 of responsibility for --

16 CHAIRPERSON MEDINA: So you're referring to
17 revised Table 6, short term remediation projects by fiscal
18 year?

19 COMMITTEE MEMBER PAPARIAN: Right.

20 CHAIRPERSON MEDINA: Okay.

21 So as we do this, I kind of -- I think my
22 suggestion -- and I don't know if counsel wants to jump in
23 on this. But I think my suggestion would be not to
24 publish that chart as part of the five-year plan because
25 it may -- there are changes in the numbers there. There

1 are additional sites. And I don't want to create the
2 expectation on those site owners that we have allocated a
3 specific amount of money before we reach an agreement with
4 regards to their level of responsibility.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 The table was merely one that had been included
7 in the original five-year plan as a worksheet to show what
8 staff was aware of in the way of cleanup needs. And
9 certainly we do not need to include it in the next version
10 of the plan. We merely --

11 COMMITTEE MEMBER PAPARIAN: Right. But there
12 were some changes in that. And that's especially what
13 concerned me.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 We merely wish to make changes to that to show
16 that some sites have been cleaned up by the owner and
17 operator because of some of our enforcement actions where
18 we did not have to expend Board money to do the clean up.
19 And that there are some sites that we were able to move
20 ahead of schedule on and others that got pushed back. And
21 so the intent with the table, with this worksheet, to show
22 things have changed. Here's now the current estimate of
23 needs for just cleaning up the tire sites that we're aware
24 of.

25 We do not have to put that table in the five year

1 plan. But it is the worksheet that gives us the number we
2 plug into the short-term remediation costs.

3 CHAIRPERSON MEDINA: If we can just have this as
4 an addendum and just attach it to it, and that will be
5 part of this actual report as something we can refer to.

6 CHIEF COUNSEL TOBIAS: I think in the past at
7 least one Board member had indicated that they wanted the
8 chart in, that they wanted to see the sites called out
9 because there was some question about how many sites there
10 were and what the costs were to clean them up. I think
11 we're a little bit farther along in the process at this
12 point in terms of, you know, we're getting fairly close to
13 having a lot of the legacy piles cleaned up, and we're
14 more moving into the sites that are brought in now by the
15 CHP fly-overs or other ones that are identified by the
16 local EA's.

17 So it might be best to have just a number that's
18 staff's best estimation of what cleanup would take of the
19 tire piles that we know of around the state without
20 appearing, as Mr. Paparian has said, to be offering those
21 up when, you know, many of them are still in the
22 enforcement process.

23 So I think, you know, this may just be a
24 situation where we've moved ahead of where we were in the
25 last plan, and it would be better to have these as an

1 addendum or just as something that staff updates once a
2 year.

3 CHAIRPERSON MEDINA: Exactly.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Any suggestions on dollar amounts for the
6 long-term remediation projects?

7 COMMITTEE MEMBER PAPARIAN: Just a question.

8 The local government amnesty day grants. The
9 next two fiscal years staff is suggesting we have a lower
10 amount than was originally allocated in the last five-year
11 plan.

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

13 Correct.

14 COMMITTEE MEMBER PAPARIAN: And can you
15 elaborate? Are we not seeing enough participation in
16 amnesty days or is it just a matter of priorities? Why
17 lower amnesty days?

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 Both of the above. The last round out of the
20 400,000 available I believe we did something like 360,000
21 roughly. Not quite all the monies were expended. Staff
22 does have a proposal that we will be bringing back to the
23 Board to consider in trying to increase participation,
24 which would include doing away with the matching fund
25 requirement by the local government. Their belief is that

1 that should increase participation.

2 However, faced with a budget reduction overall
3 from the original five-year plan's estimate for fiscal
4 year '03-'04, we were looking for places to decrease, and
5 felt that given the past participation we could ramp this
6 up more slowly.

7 COMMITTEE MEMBER PAPARIAN: Okay. I'm okay with
8 that.

9 CHAIRPERSON MEDINA: Okay. We'll proceed.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

11 Okay. So is the long-term remediation
12 appropriate for \$4 million in 3-4? And do you wish to go
13 with either the \$2 million that was originally indicated
14 in the five-year plan or the 2.7 that staff had proposed?

15 This goes back -- if you want a little more
16 detail. The dollar amount we estimated originally for the
17 Tracy cleanup is based on the removal of the tire and ash
18 and debris. And we feel that number is still good. The
19 uncertainty comes from what sort of groundwater
20 contamination may have occurred because this site is down
21 in a gravel pit and the fire was allowed to burn for so
22 long, the pyrolytic oils may have escaped and moved some
23 way down towards the groundwater.

24 You know, that is a really difficult estimate to
25 make on what any sort of treatment might be required. Our

1 thought had been we'd shift some of the monies into the
2 long term in case that need arises. However, as Mark
3 said, that kind of treatment may not arise for a couple of
4 years. We have to get in there, start removing the debris
5 this summer, and probably into next summer before we would
6 start pursuing the actual, you know, testing of the soils
7 and to see how far any oils might have sunk.

8 So it was a proposal, sort of a starting point.
9 Part of it is based that we think the short-term
10 remediation projects are going to be tailing off roughly
11 in the 5, 6 years, that if we get our program really
12 moving, we can get most of them cleaned up in the next
13 couple of years. So we thought, well, we could shift a
14 little money from the short-term projects to the long
15 term. But it's -- all of it's sort of, you know, a black
16 art.

17 CHAIRPERSON MEDINA: So what are you
18 recommending?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
20 Staying at the \$4 million for the 3-4 year and
21 then going to about 2.7 million roughly for the 4-5 and
22 5-6 years for long-term remediation.

23 CHAIRPERSON MEDINA: Okay. Board members, are we
24 in concurrence with that?

25 Okay. We're in concurrence with that.

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

2 And then that would lead us into the short term
3 to make a very slight reduction there in the first year of
4 1.2 million followed by 1.5 and 1.5 for 4-5 and 5-6.

5 The 6-7 year is sort of an interesting year. As
6 member Paparian had pointed out in some earlier workshops,
7 there's a statutory requirement that the Board expend a
8 minimum \$6.5 million on cleanup for the first several
9 years through 6-7. So to make that total of \$6.5 million,
10 we sort of put in the dollars amount in that short-term
11 that helps us get that total. So it looks like a little
12 odd number. Suddenly 1.352 is the staff recommendation.
13 But that was just to add up the numbers correctly. So
14 obviously there's a lot of flexibility there.

15 So do those numbers look good to the members?

16 CHAIRPERSON MEDINA: Members?

17 Nodding of heads in concurrence.

18 Okay. We're fine.

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20 Okay. Then we'll put that line across as is.

21 That takes us then to the local government waste
22 tire clean grant. This program is also one that the
23 entities applying for it speak very favorably of it. But
24 we have had a little difficulty in building the
25 participation. Year to year it's been slowly growing, but

1 I think it's growing at a slower rate than we'd
2 anticipated.

3 So staff was recommending, once again based on
4 the fact that our overall budget is slightly reduced, to
5 have that buildup more slowly. And the recommendation was
6 \$800,000 in fiscal year 3-4, going to a million dollars in
7 4-5 and 5-6.

8 Does that meet with the Committee's pleasure?

9 CHAIRPERSON MEDINA: If there's no objections,
10 we'll move on.

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 All right. We'll put those in.

13 Same thing with the local government amnesty day
14 grants. As we mentioned earlier, we do have some ideas we
15 think will help build that. But we're just recommending a
16 slower increase to the amount of money available in that
17 program, at 400,000 in 3-4; 500,000 in 4-5; and 750,000 in
18 5-6 and there out.

19 All right. That sounds like it's acceptable.

20 At this time point I'm not sure if the Legal
21 Office wants to make any comment on that million dollar
22 emergency reserve.

23 CHIEF COUNSEL TOBIAS: I don't think so.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 There's some question as to whether or not those

1 monies could be made available for any use. But at the
2 moment what staff has done is put it in -- the statute
3 says the Board should set aside no more than a million
4 dollars for an emergency reserve each year. Because it
5 does make no more -- there's a little idea, well, maybe we
6 could make it less. But if we want to meet the
7 legislative intent, we just stuck in a million dollars.
8 So I --

9 COMMITTEE MEMBER WASHINGTON: Or you need to
10 check with the Governor or the agency to see if they're
11 needed next year for the budget.

12 (Laughter.)

13 COMMITTEE MEMBER WASHINGTON: Every reserve that
14 exists, they're going to snatch it; make no mistakes about
15 it. And so whether you make it 500,000 or a million
16 dollars, it will be to the pleasure of the Legislature and
17 the Governor to use it when they need it for the next
18 budget crisis.

19 COMMITTEE MEMBER PAPARIAN: Just to provide a
20 little more background on this from my understanding.

21 The way the act is written, we have to allocate a
22 million dollars per year. If we don't spend that million
23 dollars, it goes into the increase in the tire bank
24 account, but we lose that spending authority. If we were
25 to spend that million dollars on June 30th, we would have

1 put another million dollars out there in the tire area,
2 and then on July 1st we'd suddenly have that account
3 replenished, in the way this works. So that's why there's
4 a million dollars each year allocated as opposed to a
5 million dollars once and then zero in the out years.

6 So one thing we may want to look at, you know,
7 late in the fiscal years is whether there are appropriate
8 emergencies for the use of this emergency reserve.

9 CHIEF COUNSEL TOBIAS: You're correct, Mr.
10 Paparian. That is the way it works. It's the money needs
11 to be set aside for that imminent threat. And then if
12 it's not used, it goes back into it.

13 So to a certain extent, although it's a million
14 dollars a year, it's kind of the same million dollars if
15 it's never spent. And I don't know whether we need to
16 asterisk that or somehow show that that might not be --
17 it's not a cumulative million dollars; it might be the
18 same million dollars, so to speak.

19 I do want to point out that at least the way the
20 Legal Office interprets it at this point, and this would
21 be dealt with with the Board when they decided to expend
22 funds under the emergency situation, is that it is an
23 imminent threat. So it would have to be something that
24 arose such as a tire fire -- that's the easy example -- to
25 be able to expend those funds.

1 It could also be something such as -- and we were
2 trying to come up with some other examples -- might be the
3 money for prevention of an imminent disease outbreak where
4 we had mosquitos that were breeding in tires so that we
5 had to go in and clean up some situation that was
6 existing.

7 But I will point out that I do think it has to be
8 an emergency. It can't be something that's existed for a
9 year and then, because we've got funds left, we all of a
10 sudden decide it's now an emergency. It needs to be
11 addressed at the time.

12 CHAIRPERSON MEDINA: Would the fire in Fresno
13 that recently occurred fall under this category?

14 CHIEF COUNSEL TOBIAS: Yes.

15 DEPUTY DIRECTOR LEE: Chairman Medina, the
16 situation in the Fresno fire, that was not a tire fire.
17 And that is why, again the Board is participating in the
18 cleanup, but it's using 2136 funds.

19 CHIEF COUNSEL TOBIAS: Well, sir I was just --

20 CHAIRPERSON MEDINA: Were there any tires in that
21 pile as far as we know?

22 DEPUTY DIRECTOR LEE: There may have been one or
23 two, I guess. It was primarily C&D.

24 CHIEF COUNSEL TOBIAS: I was just responding more
25 that -- that type of fire, obviously we can't expend funds

1 on something -- tire funds on something that's not a tire
2 fire. But for a fire that arises like that, we would have
3 those funds available.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Okay. So leaving that for the moment at a
6 million dollars across there.

7 This next one we've included on the chart just so
8 you can see that it's part of our cleanup and enforcement
9 program -- cleanup and abatement program. And it helps us
10 meet that \$6.5 million requirement in the statute. But it
11 is actually taken from our fund before our budget
12 authority is set. It's not part of that \$31.7 million at
13 the bottom of the table. So it is, I guess, sort of
14 subtracted from that amount. The 31.7 doesn't include the
15 333,000 for the farm and ranch program.

16 That's a Board policy, as I understand it. The
17 Board is to make a million dollars available each year for
18 the farm and ranch cleanup grants. And they've split it
19 between the three funds, and that's our contribution. But
20 it's taken out before that other expenditure authority is
21 set at the back.

22 The last item is this Office of the State Fire
23 Marshal training. We have been working with them in past
24 years to develop training materials for fire departments
25 on how to prevent, respond to, and cleanup after a tire

1 pile fire. There were monies to convene a tire fire panel
2 of experts to get information put together to update those
3 training materials in the first year of the 876 program.
4 And what we're proposing here in '04-'05 is to follow up
5 with an additional agreement with the fire marshal to do
6 more training up and down the state. So it's just to
7 continue that program out.

8 So that was the staff proposal, was to add
9 \$100,000 in 4-5.

10 CHAIRPERSON MEDINA: Okay. We'll accept that,
11 and it sounds reasonable.

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

13 Okay. Well, then if we stick that in. And I
14 think we're done with that table and can move on to
15 research.

16 MS. FRENCH: Is that 100,000 in both those years?

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 No, just one, the 4-5, \$100,000 at that point.

19 Okay. The research table's quite a bit longer.

20 The blue font down there were some of these ideas staff
21 had proposed for additional projects to fund. And this
22 is -- you know, you hear us talking about workload issues,
23 so that my staff comes up with a lot of new ideas
24 themselves. But they're just very enthusiastic about
25 their work, I guess.

1 What staff had proposed was some reductions there
2 where the font is in red, and then the increase or
3 addition in the blue fonts. And we can work through the
4 staff proposal here. Or does anyone want to make comments
5 up front?

6 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I had
7 several on this one.

8 CHAIRPERSON MEDINA: Board Member Paparian.

9 COMMITTEE MEMBER PAPARIAN: One of the ideas I've
10 been pushing since the last five-year tire plan, and it's
11 actually in the five-year tire plan, is to look at
12 establishment of tire research activities at a California
13 institution. We have OEHHA right now looking at how we
14 might accomplish that. But I would like to actually set
15 aside some funds in the research area for the
16 establishment and funding of a research center that we
17 could then call on to conduct the type of research that
18 we're looking for.

19 So my suggestion would be to create a line item
20 for a research center at a California institution -- just
21 creation of a research center's probably adequate --
22 100,000 in '03-'04, and then ramping up to 500,000 a year
23 thereafter.

24 Some of the line items above might actually
25 help -- they might actually wind up being part of that

1 500,000. Or if there are specific allocations, this
2 research center could potentially conduct that research
3 for us.

4 The increased recycled content in new tires -- I
5 think it's the third item down there -- I'd like to see
6 that 100,000 maintained and maintained across each fiscal
7 year. I think that's one of the things that was called
8 out in the intent language of 876 and something that I
9 think we ought to continue. So that would be 100,000 in
10 each of the fiscal years.

11 The increased tire life span item. There's been
12 some good work in this area that's gone on. I think the
13 energy commission is looking at some of the energy
14 implications of this. But I think that that's one of the
15 more promising areas for source reduction in the tire
16 area. I'd like to see 200,000 per year allocated there.

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 Would that be instead of or in addition to the
19 monies for the public outreach and education, which would
20 be addressing the increased tire life span through proper
21 maintenance --

22 COMMITTEE MEMBER PAPARIAN: That would be in
23 addition.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 Okay.

1 COMMITTEE MEMBER PAPARIAN: There were questions
2 that were raised during our workshops about the
3 environmental impacts of combustion technologies. I think
4 we ought to take a look at what the current state of the
5 art is in terms of our knowledge of the environmental
6 impacts of tire combustion.

7 It's a little bit different than that toxicity
8 report that was there. The toxicity report looked at tire
9 piles -- tire pile burning and what the health impacts of
10 that were. But I would --

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 That was part of the consideration in the
13 proposal there on the tires as fuel supplement study, to
14 collect additional information on emissions, both here in
15 California and other states, and do an analysis there. So
16 that the staff proposal there had been 100,000 in the 4-5
17 year.

18 COMMITTEE MEMBER PAPARIAN: Okay. So you're not
19 looking at the engineering aspects in that feasibility
20 study; it's strictly the health impacts and environmental
21 impacts?

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 The overall feasibility of does it make sense,
24 does it work, is it environmentally acceptable, that
25 was --

1 COMMITTEE MEMBER PAPARIAN: Right. So that's two
2 concepts there. The "does it work" is more an engineering
3 side. The environmental aspects is looking at emissions
4 and health related information. So I would suggest that
5 that's really two related, but different, contracts, in
6 the same way that are --

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 And if they come to different conclusions -- I
9 mean wouldn't it be better to have it into one project? I
10 mean if we need to increase the funding because you think
11 the study would be more extensive, we could certainly do
12 that. But seems to me having it done together so that all
13 pros and cons could be weighed rather than having two
14 documents that might be a -- sort of a conflict.

15 COMMITTEE MEMBER PAPARIAN: Well, there might --
16 I mean this happens in -- you know, it happens when you
17 build a powerplant. You'll have an economic study that
18 says the powerplant's really needed, it can work, you can
19 burn the coal or the oil or whatever it is. Then you'll
20 have a health impact study that says, well, there are
21 these health questions. It's the same thing here. And
22 that's just -- we're doing this in the conversion
23 technology area where we're splitting up the monies in the
24 conversion technology area so that we can look at
25 technological issues and health issues, you know, by the

1 most appropriate experts.

2 CHAIRPERSON MEDINA: Just for process, I would
3 recommend that we keep one category and just make a note
4 that we have these two things included in that category
5 and then set an amount for each one.

6 COMMITTEE MEMBER PAPARIAN: Okay. Well, in terms
7 of that spending, I think we know what we know about the
8 technology. You know, I'm not sure on the engineering
9 side that there's much more that we can offer. I think
10 answering the health and environmental questions is
11 important, and I would like to see that funded.

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

13 Part of what the staff was considering was that
14 as all markets are developed by the Board, where does this
15 fit in a relative scale? And we think that has changed
16 somewhat.

17 So that was part of what would be in that
18 feasibility study. But that could be included in the
19 engineering half if this is a two-part effort.

20 COMMITTEE MEMBER PAPARIAN: What does that -- you
21 lost me on that one.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 As the Board has put money into developing other
24 markets and if the Board continues to support some of
25 those product lines, then tires may preferentially flow to

1 that activity and there would be less pressure or reason
2 for facilities to look at tires as fuel. However, that
3 could change with economic conditions where it takes far
4 less of a support mechanism of a subsidy, if you will, to
5 use tires as a fuel. And if economics change, then the
6 market forces might have them flow that way.

7 So one of the things we were looking at is what
8 are those market forces and how can the Board project what
9 is going to go where in the future.

10 COMMITTEE MEMBER PAPARIAN: Okay. So then it's
11 not a -- Okay. So there is two studies --

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
13 It's a feasibility study on --

14 COMMITTEE MEMBER PAPARIAN: It's not a study
15 related to the use for energy. It's a study related to
16 the economics of tire markets.

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 In the original legislation under AB 1843 the
19 Board was directed to look at the feasibility of tires as
20 a fuel supplement. And that included how it fit with the
21 other markets and what the economic forces were. It was
22 not just a physical question of "Can it be done?", you
23 know, "Do tires burn?" It was much broader than that.

24 And that report was written in '92 by this Board.
25 And what we were looking at was an update to that report

1 to consider all the changes or increases of knowledge
2 since the '92 report, you know, including economics in
3 markets, including physical technology of how the tires
4 are handled, and including any additional information on
5 emissions and health risks and benefits.

6 COMMITTEE MEMBER PAPARIAN: Okay. But if you're
7 particularly interested in the markets and the economics
8 there, it seems like we should have a broader study that
9 looks at the economics of all the tire markets.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

11 Well, that's also caught up then in the
12 university -- it was California State University at Chico,
13 has the proposal on that cost comparison of all markets.
14 So that was another proposal for funding.

15 COMMITTEE MEMBER PAPARIAN: Okay. So back to my
16 point.

17 I'd like a research allocation on the health and
18 environmental related issues of tire burning. I'm not
19 sold on the other concept of this looking at the
20 engineering and market aspects unless we're looking across
21 the Board at all technologies. But I think that that's a
22 separate item.

23 So I mean at this point -- I mean in terms of
24 what I'm looking for, I'm suggesting an allocation of
25 250,000 for a look at the environmental and health issues

1 associated with tire combustion technologies.

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 In what fiscal year?

4 COMMITTEE MEMBER PAPARIAN: '03-'04.

5 And then if -- you know, we can see if anybody
6 else wants to suggest the other. But I'm not suggesting
7 the other at this point.

8 The staff has suggested an increase from 500,000
9 to 800,000 -- is a question now -- from 500,000 to 800,000
10 on the energy recovery from tires research item. And my
11 question's the same I've been asking on all the tire
12 energy research items that have come along.

13 What is the research need that we -- what are we
14 going to gain in knowledge from this 800,000?

15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

16 Actually, what staff is proposing is to combine
17 the line item on the pyrolysis, gasification and
18 liquefaction studies with the energy recovery from tires
19 line item, sort of collapsing that down to one project at
20 a lesser amount. The two had \$500,000 each originally
21 allocated, for a total of a million. We're reducing that
22 to 800,000 with the idea that we can look at those
23 conversion technologies that have recently come to our
24 attention dealing with tires.

25 Our feeling is they're not quite ready yet to be

1 considered a market development activity. But that this
2 would be a way the Board could fund some participation in
3 conversion technologies for tires. And I know there's
4 some individuals here in the room who are interested in
5 that issue.

6 COMMITTEE MEMBER PAPARIAN: Okay. So if it's --
7 I would suggest then going back to calling that conversion
8 technologies.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 We certainly can change the wording eventually.
11 But we were trying to show what was in the original report
12 and where these funds were coming from and that link. So
13 obviously in that final document that goes forward to the
14 Legislature, we can have any new names we want in this
15 column.

16 COMMITTEE MEMBER PAPARIAN: Okay. But sounds
17 like what you're suggesting is the research need is in
18 pyrolysis.

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20 With the emphasis that has currently come to the
21 fore on the conversion technologies' look at energy
22 recovery because -- the problems with the pyrolysis
23 projects have always been that the physical products are
24 contaminated and the cost of cleaning them up to meet
25 market conditions cancels out the economics.

1 COMMITTEE MEMBER PAPARIAN: Okay. But the
2 research need is in this --

3 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

4 So we're looking at a narrow focus. Not the
5 entire umbrella of pyrolysis, but more directly the
6 conversion for energy recovery.

7 COMMITTEE MEMBER PAPARIAN: So maybe we need to
8 look at changing the name of that item above to, you know,
9 conversion technologies, pyrolysis, gasification, and
10 liquefaction --

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 We can certainly change the names in the final
13 document.

14 COMMITTEE MEMBER PAPARIAN: -- and then put the
15 money there, so it's clear what -- because I think there's
16 some people in this room who are particularly
17 interested --

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 If I may -- just so we can track this better, I
20 would hold off making that change until we get to the
21 written document. You know, just for this exercise of
22 going through the budget, it helps us tracking those
23 dollars and what's increasing and decreasing for now. But
24 we'll make a note and change that name for the final
25 document.

1 COMMITTEE MEMBER PAPARIAN: I think there are
2 probably some people in this room who are going to be very
3 interested in whether it's in one area or the other, so we
4 may need to do that here.

5 Let me ask a question --

6 CHAIRPERSON MEDINA: Excuse me. Before we
7 proceed, just a time check here. I know that the court
8 reporter has to leave at 11:50. We were planning to take
9 a lunch break at 12:00. We'll take a lunch break at 11:50
10 and come back at 1:00 o'clock.

11 Also Board Member Washington has a plane to
12 catch, so we will be departing here at 2:00 o'clock.
13 We'll lose our quorum at that point. I know that he would
14 like to hear from those members of the public that are
15 here today to give public testimony. So when we convene
16 at 1:00 o'clock, we'll try to get finished up the work
17 that we as Board members have to do, and then we will be
18 entertaining public comment hopefully before 2:00 o'clock
19 so that Board Member Washington can have the benefit of
20 that public comment.

21 COMMITTEE MEMBER PAPARIAN: Question about the
22 water quality and tire chips item.

23 When I, a few weeks ago, asked Dana Humphrey
24 whether he was aware of any water quality problems
25 associated with tire chips -- this was in the context of

1 the monofill regulations that is asked that question -- he
2 said, no, there's no evidence of any water quality issues
3 there.

4 Is there some indication of a water quality issue
5 that you're aware of that leads to the recommendation for
6 this new study of water quality issues?

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 The analyses that I've seen on tire chips in
9 engineering applications where there's contact with
10 groundwater is that in the initial Europe placement there
11 is a minor but detectable amount of some compounds such as
12 zinc that come off the tires; but that that amount then
13 fades to background levels in subsequent years. Those are
14 data that have been collected elsewhere, out of state.

15 The question keeps coming up in the proposals
16 that are made for various civil engineering applications.

17 Part of what we've tried to also point out is
18 that tires have been in use, at least the synthetic
19 butadiene tires, have been in use since the 1950's and
20 '60's. If there were tremendous groundwater impacts from
21 those tires, we would most likely have seen it by now.
22 The University of Pennsylvania is conducting a study on
23 the effect of tire tread on groundwater and public health;
24 you know, the amount of tire rubber liberated into the
25 environment by the daily use of your car and the rubber

1 that comes off of those tires in the form of grit, which
2 ends up, you know, in the soils along roadways and
3 people's homes and eventually in water courses. So they
4 are trying to look at that to see if there's an effect
5 that we had yet noticed.

6 So this is sort of a combination. It's put into
7 out years because it's a little bit more of a new concept
8 that we're sort of playing with as to what should we be
9 looking at in some of the various uses of tires and their
10 effects on the environment.

11 But to briefly answer your question, no, we're
12 not aware of any long-term health effects from the
13 shredded tires as civil engineering fill.

14 COMMITTEE MEMBER PAPARIAN: Okay.

15 CHAIRPERSON MEDINA: I appreciate the increased
16 acknowledge in this area. However, Board Member Paparian,
17 if you have a specific recommendation and dollar amount,
18 let's include here, and then it'll go before -- as you
19 know, before two other committees.

20 COMMITTEE MEMBER PAPARIAN: Right. I understand
21 that. I'm just trying to get a little more clarification.

22 I don't have a specific recommendation there.
23 But I do have just another clarification on a different
24 item.

25 You described before the rubberized mats and

1 recreational surfaces issue. When you described it
2 earlier today, you said that there were two issues: One,
3 the question about the possible health impacts, which
4 could be a negative impact. You also said that there's
5 interest -- and I remember hearing this too -- about
6 whether there are positive impacts in terms of fewer
7 sports injuries associated with some of the rubberized
8 tracks and so forth. As I read the short description of
9 the line item, it says, "Study the chemical effects of
10 rubberized mats and other recreational surfaces." I think
11 that probably needs to be broadened so that it includes
12 both concepts. If you need more money to do that, that's
13 fine with me. But when you actually put this out to bid,
14 I suspect it's going to be two contracts and not one. I
15 think the experts at UC Davis and others in sports
16 injuries may not know about the chemical effects of some
17 of this material.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 We can do that.

20 COMMITTEE MEMBER PAPARIAN: One of the things in
21 the five-year tire plan, one of the --

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 Sorry. Are we to put the dollar amount in there
24 at 250,000?

25 COMMITTEE MEMBER PAPARIAN: Yeah, that one's fine

1 with me as long as it's clear that it's covering both of
2 those areas.

3 In the five-year tire plan -- and we've had this
4 discussion several times since then -- the concept of
5 independent third-party peer review was raised. It's
6 actually one of the program evaluation criteria that we
7 have in the research area.

8 Do you feel that you could use an additional
9 amount of money for this independent third-party peer
10 review called out as a line item, or do you feel we can
11 absorb it in each of the research areas?

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

13 Probably both. I mean if there are specific
14 reports produced under contract and that report can be
15 submitted to a state agency, a university, whatever, we
16 could most likely pay sort of like staff time for the
17 review of that. Is that what you're envisioning?

18 COMMITTEE MEMBER PAPARIAN: Yeah, that
19 actually -- that's not an uncommon practice, if you call
20 on independent peer review, to compensate for time for
21 that peer review.

22 Okay. If that's the case, then I would suggest
23 an additional line item independent -- just call it
24 third-party pier review, 75,000 a year.

25 MS. FRENCH: What is the dollar amount again?

1 COMMITTEE MEMBER PAPARIAN: Seventy-five thousand
2 a year.

3 MS. FRENCH: For each year?

4 COMMITTEE MEMBER PAPARIAN: Yes.

5 MS. FRENCH: Thank you.

6 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, those
7 are all the specific questions I had so far. As we go
8 through each line, I might --

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 I'm sorry. Just to make sure. Was it a -- the
11 water quality study, was that proposed at 500,000 or not?

12 COMMITTEE MEMBER PAPARIAN: I'm comfortable with
13 that, yeah.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 Okay. Any other members with suggestions for
16 funding anything?

17 CHAIRPERSON MEDINA: On the ones that are blank
18 there, do you have numbers that -- do you have figures
19 there that you have recommended in those areas?

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 Oh, staff had recommended that the to-be-renamed
22 energy recovery from tires item be funded at 500,000 --
23 I'm sorry -- 800,000 in 3-4 and just that one year. If
24 that's meets the pleasure, we can put 800,000 there on
25 line 10.

1 COMMITTEE MEMBER PAPARIAN: From your description
2 it sounded like that was really pyrolysis and conversion
3 technology, so it should be in that line item above.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Okay. We can put it in then line item 9.

6 COMMITTEE MEMBER PAPARIAN: But in the end I
7 think the numbers may not add up, and you may want a lower
8 number for that.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 I'd bet on it, there's going to be some
11 adjustments as we work our way through this.

12 Let' see. The civil engineering uses for tires,
13 line item 12 there. The five-year plan had it set at 1.5
14 million, going down to 500,000 in 4-5 and 250,000 thousand
15 in 5-6. Staff was recommending decreasing the 3-4 funding
16 level to a million dollars.

17 Is there interest on the part of the Committee to
18 fund any activities on civil engineering uses?

19 CHAIRPERSON MEDINA: I think we need to continue
20 that activity. So if there's no objection, we'll go with
21 the figures that you have suggested here on the chart.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 Okay. That's one million and then 500,000 and
24 the 250,000, Sally.

25 And additional staff recommendation had been a

1 follow-up on the -- how do we call it there? -- fiber and
2 steel.

3 I'm sorry, it's a bit far for me to read. Is it
4 there, Sally?

5 MS. FRENCH: Which one is that?

6 DEPUTY DIRECTOR LEE: Fiber and steel.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 Fiber and steel from crumb rubber?

9 MS. FRENCH: No, we have not gone over that.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

11 Okay. Staff had recommended in fiscal year 5-6
12 to try and put some money aside. The current contract
13 that's looking at how we can recycle the fiber and steel
14 left over from producing crumb, we've got some preliminary
15 results. And market conditions are very, very weak. They
16 think there are some possible techniques. And they are
17 recommending that some further funding be made available.
18 We're not really clear exactly how much and what type, but
19 we thought we'd pencil something in sort of as a place
20 holder in an out year.

21 This is an issue to our crumb rubber producers.
22 And I know that once again there are individuals in the
23 audience, if you had questions, on the costs right now for
24 them to dispose of these materials, because there aren't
25 any uses or markets for it. And it would provide support

1 to that recycling effort if the Board would try, you know,
2 to grow markets there or develop it.

3 CHAIRPERSON MEDINA: Well, let's move with that
4 figure then at this point.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 Okay, 250,000 in 5-6 for fiber and steel.

7 Okay. There was a line item on the rubberized
8 asphalt concrete study. We currently have a \$600,000
9 interagency agreement with CalTrans where they are going
10 to be laying three types of RAC -- the wet process, dry
11 process, and terminal blend process -- on a highway in the
12 state so that they compare usage; you know, as the same
13 traffic conditions exist on those segments, what one
14 performs best?

15 Typically with pavement, such a long-lasting
16 material, you're not going to see any kinds of results
17 for, you know -- or effects until five or six years out.
18 One of the good points about rubberized asphalt is that
19 it's often outlasted conventional asphalt, and it may
20 take, you know, 12 or 15 years to actually conclude that
21 kind of a study.

22 So staff had proposed -- and once again, this
23 could be flexible under which year -- sort of follow-up
24 studies with CalTrans, to go back to that same site a
25 couple years later, do some more testing and reporting

1 back to us.

2 So once again that was just sort of a penciled-in
3 idea of how do we do these long-term projects that are
4 greater than a two-year funding cycle or a three-year
5 funding cycle.

6 CHAIRPERSON MEDINA: Okay. Let's go with that
7 for now.

8 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
9 Okay. A hundred thousand dollars in 5-6.

10 Now, the report that Member Paparian asked for on
11 the emission and health issues was for 250,000.

12 Is there interest in doing more of a market
13 feasibility study, or is that just to be zeroed out?

14 COMMITTEE MEMBER PAPARIAN: I don't see a need
15 for it at this point.

16 CHAIRPERSON MEDINA: And this is a market
17 feasibility for what?

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 Well, it's actually a little broader than that.

20 But, you know, we're trying to adjust it here. The
21 original report looked at technical feasibility, what
22 sorts of health effects were known at the time; and market
23 feasibility, how did it fit with all the other uses of
24 tires.

25 And it was a Board-adopted report that approved

1 the use of tires as a fuel as an appropriate diversion
2 technique for waste tires. And that's been there now for
3 ten years.

4 And staff was feeling that we should relook at
5 all three of those issues: What has changed in the
6 technology since that report? What has changed in market
7 conditions? And what has changed in our knowledge of
8 health risks and benefits?

9 And as I understand it now, with Member
10 Paparian's proposal, we're pulling out that analysis of
11 emissions and health issues. But there's still the
12 question as to whether we should examine the technology
13 and market issues.

14 COMMITTEE MEMBER PAPARIAN: If we examined
15 technology and market issues, we need to -- we need to be
16 looking across the board. We shouldn't be singling out
17 the energy recovery, which on our hierarchy is near the
18 bottom of the hierarchy. We should be looking at ways we
19 can promote source reduction and recycling. I mean it
20 just doesn't quite fit with our hierarchy that we're
21 operating under.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 Well, within the hierarchy and its permissiveness
24 in allowing the Board to pursue, promote, or do anything
25 with energy recovery, we do need to acknowledge that in

1 other states across the country the
2 energy-recovery-from-tires market is the largest recycling
3 method for tires. It has a very high potential for
4 getting those tires that have little value for recycling,
5 the tires that are old and mangled and don't have much
6 rubber on them that make them attractive to crumb rubber
7 producers; the tires that have been sitting for a while
8 and don't process well through shredders, they're
9 contaminated with gravel, what have you -- and rather than
10 have those go to landfill, there has been the belief in
11 the past that the fuel use is appropriate.

12 COMMITTEE MEMBER PAPARIAN: I mean it's just like
13 I don't dispute that the -- and often the cheapest and
14 easiest way to deal with our trash is to send it to a
15 landfill. That doesn't mean that we look at studying how
16 to spend more trash to landfills. We look at some of the
17 higher uses that we've identified at the Waste Board.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 Well, for instance, the South Coast Air Quality
20 Management District has a rule in its book saying that the
21 use of tires at a cement kiln is an air pollution control
22 technique, it's one that they recommend because it reduces
23 oxides of nitrogen. And in some instances, depending upon
24 the composition of the coal that's burned by the cement
25 kiln, it can reduce sulfur. So they believe it is a

1 benefit for the tires to be used in this way.

2 COMMITTEE MEMBER PAPARIAN: Okay. And there are
3 benefits to other technologies that we promote here. So
4 I'm not sure why we single out this one technology, which
5 is low on our hierarchy, for so much special attention in
6 terms of assistance in market development.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 If you recall a slide that was shown earlier,
9 this Board has funded crumb rubber development in the tune
10 of \$17 million, civil engineering at about 2 1/2 million,
11 and energy recovery at about 1 million. And I don't think
12 that indicates singling out of a certain market segment --
13 that particular markets segment.

14 COMMITTEE MEMBER PAPARIAN: Okay. But I mean I
15 think in these times where we're looking at spending money
16 elsewhere, I just don't see this need right here that
17 you're calling out.

18 CHAIRPERSON MEDINA: I think that Board Member
19 Paparian has good logic behind his thinking. However, I
20 do think that, you know, for the purposes of the full
21 Board and for the committees that we need to retain in,
22 they're just for discussion purposes.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

24 So that would be \$100,000 for 4-5 on that line
25 item as a discussion point. We'll make sure that's made

1 clear at the Board.

2 All right. There was a proposal, and this is the
3 one that came from the California State University at
4 Chico to do an overall cost comparison study on various
5 waste tire diversion techniques.

6 Is there any interest in pursuing that?

7 No? All right.

8 What about the mosquito and vector control
9 projects? There's actually a variety of proposals. We
10 sort of lumped them together here, not knowing exactly how
11 this program might, you know, be built up.

12 CHAIRPERSON MEDINA: In any of these categories,
13 if staff has a recommendation, we'll go with the staff
14 recommendation unless there's an objection from a Board
15 member and wishes it struck. But if you have a staff
16 recommendation, we'll move with that unless indicated
17 otherwise.

18 COMMITTEE MEMBER PAPARIAN: Can I ask a question
19 on the mosquito issue?

20 The proposals that we have, that we got some
21 letters on yesterday, the major proposal that was really
22 spelled out, I think it was from the Department of Health
23 Services, called for what I would view as basically a PR
24 effort in this area. So -- which I'm not sure I object to
25 in any way. I think it's -- you know, this is an

1 important area and we need to educate folks about tires
2 being a potential breeding ground for mosquitos and so
3 forth. But in developing these numbers of 350,000 to
4 530,000 on the mosquito area, is that part of what's
5 envisioned, carrying forward with what Department of
6 Health Services recommended to us?

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 On page 8 of the staff document we had tried to
9 single out the portions of that proposal that we were
10 proposing to fund. Not so much the outreach and public
11 education, because we were thinking perhaps that's covered
12 elsewhere in the Board's budget; but more in the research
13 and possible treatment of how mosquitos breed in these
14 tire piles and what forms of treatment are appropriate at
15 what point in the breeding cycle of the mosquito, what
16 might be most effective for long-term control versus
17 response on an emergency basis if there was an outbreak of
18 West Nile Virus in a community, more along that -- we were
19 trying to narrow it.

20 If you'd read through the document submitted by
21 Health Services and the Mosquito and Vector Control
22 Association, I think there were some very good ideas, but
23 I also think that the budget requests were a little more
24 than the Board would be able to manage under current
25 conditions.

1 So we were thinking more on the actual
2 understanding of the breeding cycle of the mosquito, how
3 to control it, what sorts of responses would be
4 appropriate, what's effective, is it environmentally
5 damaging to spray tire piles with larvacides or
6 insecticides, some of those issues.

7 CHAIRPERSON MEDINA: So what's your
8 recommendation on this, Board Member Paparian?

9 COMMITTEE MEMBER PAPARIAN: I think it's okay.
10 I'm not sure -- the numbers feel like they might be a
11 little bit high. But I don't have a basis to determine
12 what it would cost to do the research you just described.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 This is something -- you know, once we get
15 through the market section, which is our last section --
16 and hopefully my voice will last for this -- we can see
17 how the numbers total out. And if we have to go back and
18 start cutting somewhere, you know, then we may -- very
19 definitely, I'm thinking, we'll need to go through and
20 figure out what gets decreased to meet that limit.

21 CHAIRPERSON MEDINA: Okay. Let's move forward on
22 this one then.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

24 Okay. So 350,000 there.

25 Well, that gets us to the market side once

1 this --

2 COMMITTEE MEMBER WASHINGTON: What happened to
3 line item 21? Does that have a recommendation for the
4 cost comparison of the diversion techniques?

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
6 wasn't sure if there was interest in funding that. We had
7 proposed 50,000 for the first two years. Does that sound
8 appropriate?

9 COMMITTEE MEMBER WASHINGTON: Yes.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

11 Okay. Thank you.

12 Okay. If that's done, then we can go to the
13 markets.

14 Excuse me?

15 MS. FRENCH: I was looking at the clock.

16 CHAIRPERSON MEDINA: Oh, you can proceed. We're
17 fine until 12 o'clock.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 All right. First change that staff had
20 recommended was combining that tire care brochure, public
21 awareness survey, with the public service announcement
22 and, indeed, combining that with the used oil program's
23 public education and outreach efforts, trying to get some
24 savings there.

25 There had originally been 150,000 indicated for

1 the public awareness surveys follow-up, plus the 250 for
2 the announcements.

3 As I said, the results from the initial contract
4 won't be until April. But our feeling is we could go with
5 the amount indicated here on the public service
6 announcements for this combined program.

7 Is there interest there?

8 COMMITTEE MEMBER PAPARIAN: Yeah, Mr. Chairman,
9 I --

10 CHAIRPERSON MEDINA: Yeah.

11 COMMITTEE MEMBER PAPARIAN: This is one again
12 where -- this is where we get source reduction in the tire
13 area, the highest priority in our hierarchy. I'd suggest
14 funding these areas at a total of 500,000 a year. And
15 either combined or you could separate them out, 250 each.
16 But I think that promoting the proper management of tires
17 as they're in use is one of the most important ways we can
18 extend the life of tires and, therefore, you know, reduce
19 the need to purchase new tires and then dispose of old
20 tires.

21 So I'd suggest 250 in each of those item. Or if
22 you wanted to combine them, put it at 500 and carry it out
23 into the future.

24 COMMITTEE MEMBER WASHINGTON: Is this under item
25 9, the public service announcements?

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

2 Line item 9 there on the chart.

3 COMMITTEE MEMBER WASHINGTON: In terms of the
4 public serve announcements, Martha what's the market that
5 we go after? Is it cable, is it regular -- you know,
6 where these announcements are made.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 That's part of what the existing contract is
9 supposed to be looking at. We've got I think it's
10 \$250,000 contract with California State University at
11 Chico where they're conducting public awareness surveys in
12 English, Spanish, Mong, Russian, Tagalog, Chinese,
13 something like that -- six or seven different languages,
14 trying to find out what people know about proper use and
15 maintenance of tires so that you can extend their life
16 span to and, indeed, past the warranty, plus what kinds of
17 disposal and recycling methods there are available and how
18 much they're aware of that.

19 They're also trying to find what is the best
20 message and the best medium, what's the delivery vehicle
21 for that.

22 The results from that contract should be
23 available in April.

24 Part of what the staff proposal is based on
25 though is also some information that has come through the

1 used oil program that things like utility bill inserts are
2 not particularly effective, that brochures may not be all
3 that effective. And our thought was if we're having to go
4 with a higher priced forms of media, that maybe we could
5 get more bang for the buck by combining and having a car
6 care sort of outreach and education effort, looking at
7 used oil, tires, maybe even, you know, automobile
8 batteries or anything else associated with a car that we
9 have to deal with, and doing that combined campaign.

10 COMMITTEE MEMBER PAPARIAN: And I think that's an
11 important -- I mean I think that's a good direction to go
12 in. I'd like to see more money available for that,
13 because it's so high on our priority list for the Board.

14 COMMITTEE MEMBER WASHINGTON: And I guess I was
15 just asking -- the 250,000, is this staff recommendation,
16 to continue that 250?

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
18 Correct.

19 COMMITTEE MEMBER WASHINGTON: And I guess I'm
20 hearing Mr. Paparian say that we want to raise that level
21 because of the media -- of the vehicle that you use as an
22 outlet for this. I'm just thinking in terms of going
23 to -- if we're talking about cable, that's one story. But
24 if we're talking about Channel 3, Channel FOX, whatever
25 you got -- 40 here and goes stations --

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
2 believe a Board member even mentioned Britney Spears at
3 one point.

4 COMMITTEE MEMBER WASHINGTON. Oh, okay. Yeah,
5 for 500,000.

6 (Laughter.)

7 COMMITTEE MEMBER PAPARIAN: That wasn't me, for
8 the record.

9 CHAIRPERSON MEDINA: That was yesterday's news.

10 (Laughter.)

11 CHAIRPERSON MEDINA: So what's the number we're
12 going with here?

13 COMMITTEE MEMBER PAPARIAN: Yeah, I'd suggest
14 500,000 carried out.

15 MS. FRENCH: Do we split it between the two?

16 COMMITTEE MEMBER PAPARIAN: I think we may have
17 to recharacterize what the two items mean based on what
18 Martha has said in terms of where we may go with this
19 program. But I think allocating half a million dollars a
20 year is important, and may be in the future something we
21 may want to look to actually increase.

22 CHAIRPERSON MEDINA: Okay. For the time being
23 let's move with that.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
25 Okay. The next one was the civil engineering

1 uses. And as I explained earlier, we have a chunk of
2 money in the research and a chunk of money in markets. We
3 feel it's been a little slow to take off in what we
4 consider market development frame; i.e., where people are
5 satisfied with what it can do and just want to use it,
6 sort of the way with the playground mats. We started out
7 doing research grants. We did development grants to the
8 people who produced them. They did these impact
9 continuation tests and all that. And now we're doing
10 grants to the people who use them, the schools, et cetera,
11 who can put them down.

12 So we had had a similar effort in mind for civil
13 engineering, but we don't think we're there yet. So staff
14 was proposing to zero it out for the 3-4 year and then
15 start back in -- yeah, start back in in the 4-5 and out
16 years, just ramping it up a little more slowly.

17 Is there an interest there?

18 CHAIRPERSON MEDINA: We'll move -- go ahead.

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20 Okay. So the zero first year, 500, 4-5, and a
21 million there out.

22 Okay. We've discussed the playground cover a
23 bit, that we've been funding it now for several years. I
24 mean I think the first grant we gave was back in '92 to do
25 the research in developing some of these tiles and doing

1 those tests. And we've been giving grants to schools now
2 for several years. But staff had thought, based with the
3 decrease in the fee in 6-7, was that that program maybe
4 was one that could be weaned from the Board's subsidy, if
5 you would.

6 However, if it's one that is, you know, important
7 to the Board members, Committee members, we're certainly
8 able to carry it on. It is a very popular program.

9 COMMITTEE MEMBER WASHINGTON: And not only that.
10 It is important because we have a thousand school
11 districts in the State of California, and in the proposed
12 budget for this crisis we're in, they're cutting the
13 entire school districts probably by 100 -- I mean they're
14 looking down the next five years a hundred billion
15 dollars. So you can imagine not just not having good
16 teachers in the classroom, but children who go out and
17 play in these playgrounds are playing in dirt that are not
18 being paved or anything like that. This is an excellent
19 program that we can benefit from for allowing those school
20 districts to receive these grants from.

21 I think 800,000 is certainly a lower amount, but
22 I would just like to see that program continue and have
23 that as a part of our arsenal to help those school
24 districts out.

25 CHAIRPERSON MEDINA: I think your point is well

1 take, Board Member Washington.

2 We are now at 12:00 o'clock. That's our
3 agreement with the court reporter.

4 We will adjourn at this time until 1:00 o'clock.

5 When we return at 1:00 o'clock we'll finish these
6 categories. And then just as soon as the Board hear can
7 conclude, we will take up public testimony. And again,
8 Board Member Washington has to leave at 2:00 o'clock to
9 catch a plane. And at that time we will lose our quorum.

10 (Thereupon the California Integrated Waste
11 Management Board, Special Waste and Market
12 Development Committee recessed at 12:00
13 noon.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Managemebt Board,
7 Special Waste and Market Development Special Committee
8 meeting was reported in shorthand by me, James F. Peters,
9 a Certified Shorthand Reporter of the State of California,
10 and thereafter transcribed into typewriting.

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 13th day of February, 2003.

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23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
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